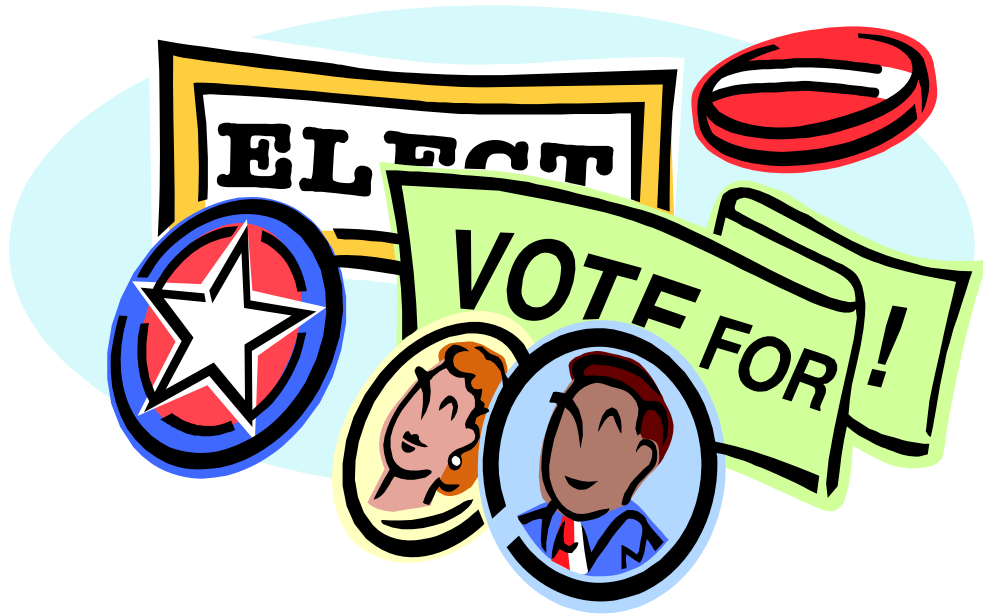




Washington State
Public Disclosure Commission

Local & Judicial Office Candidates



2012 Campaign Disclosure Instructions

"The public's right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private."

RCW 42.17A.001 (10)

March 2012

What's New for 2012 Local and Judicial Candidates?

(Recent Developments in Campaign Disclosure Law)

2012

New contribution limits. (Page 22)

Candidates who spend \$5,000 or more must electronically file contribution & expenditure reports. (Page 1)

The Public Disclosure Commission's penalty authority increased. (Page 1)

Coming June 2012 – school board candidates subject to contribution limits

2011

City Council and Mayor candidates subject to contribution limits.

2010

A municipal officer who is also a candidate may not appear in a public service announcement that is broadcast, shown, or distributed in any form whatsoever during the election year beginning January 1 and continuing through the general election. (Page 6)

Candidate Registration (C-1) may be electronically filed. These forms can be e-filed using the PDC's ORCA software or through the filer quick link at www.pdc.wa.gov.

PDC forms are no longer filed with your county's elections officer. Reports are filed with the Public Disclosure Commission and nowhere else. (Note: Snohomish County requires Snohomish County office candidates to file PDC with the county's Recording Division.)

THE PUBLIC DISCLOSURE LAW

Adopted as Initiative 276 in 1972

Codified as Chapter 42.17A

Revised Code of Washington

The Public Disclosure Commission, five citizens and a small full time staff, administers the law and the rules implementing it.

Instructions in this booklet are provided to assist in the preparation of campaign disclosure reports required by chapter 42.17A RCW. Care has been taken to make these instructions accurate yet concise. However, these instructions cannot be substituted for the applicable provisions of chapter 42.17A RCW and 390 WAC. The law and rules are controlling in the event of any conflict with or omission in the instructions. Copies of the law and rules are available on request.

There are separate Full Reporting instruction books for State Executive and Legislative candidates, and Political Committees. In addition, there is a Mini Reporting booklet available for those entities that qualify to use that reporting option.

The PDC also has computer software available free of charge to assist with campaign record keeping and reporting. Call the number shown below or visit the PDC website at www.pdc.wa.gov for details.

All reports on file with the Commission are public records. Copies are available at cost:

Paper copies of scanned records:	\$.10 per page
Diskette:	\$.25 each
CD ROM:	\$ 2 each

A significant amount of information filed with the Commission by candidates, political committees and lobbyists is available on the Internet. **PDC's Web address is: <http://www.pdc.wa.gov>**

We welcome your suggestions for revision of these instructions. Direct them to:

Public Disclosure Commission
711 Capitol Way Room 206
PO Box 40908
Olympia, WA 98504-0908

Telephone: (360) 753-1111
Toll-Free: 1-877-601-2828
FAX : (360) 753-1112
E-mail: pdc@pdc.wa.gov

(DO NOT send reports by fax)
(DO NOT send reports by e-mail)

REPORTING SUMMARY -- 2012

What To Do

When To Do It

- | | |
|--|---|
| 1. <u>Get PDC instructions and forms.</u> | When candidate decides to run for office. |
| 2. <u>File Personal Financial Affairs Statement (F-1 form).</u>
(Incumbents who filed report by April 15 need not file again.) | Within 2 weeks of becoming a candidate.
(You become a candidate when you raise or spend money, reserve space or buy advertising, authorize someone else to take one of these actions for you, or you make a public announcement or file your Declaration of Candidacy, <u>whichever occurs first.</u>) |
| 3. <u>Register committee on C-1 form.</u>
Appoint a treasurer. Open a bank account. (File a C-4 report if your campaign has already received or spent money.) | Within 2 weeks of becoming a candidate. |
| 4. <u>Deposit money and fill out C-3 form.</u> Send report to PDC. ² | Make deposits within 5 business days of receipt.
From June 1 through general election, file C-3 reports weekly on Mondays. At other times, file C-3 along with C-4. |
| 5. <u>File monthly contribution and expenditure C-4 reports</u> (if contributions or expenditures exceeded \$200 since last C-4 report filed). Submit reports to PDC. ¹ | On the 10th of month to cover preceding month (or period since last C-4 was filed). Not required in months when one of the special C-4 reports listed below is filed. |
| 6. <u>File Primary Election C-4 Reports.</u> Report all campaign contributions and expenditures. | <div style="display: flex; align-items: flex-start;"> <div style="flex: 1;"> <ul style="list-style-type: none"> - July 17 - July 31 - Sept 10 </div> <div style="flex: 2;"> <ul style="list-style-type: none"> (21 days before primary election) (7 days before primary election) (10th of the first month following the election) </div> </div> |
| 7. <u>File General Election C-4 Reports.</u> Report all campaign contributions and expenditures. | <div style="display: flex; align-items: flex-start;"> <div style="flex: 1;"> <ul style="list-style-type: none"> - Oct 16 - Oct 30 - Dec 10 - Jan 10 </div> <div style="flex: 2;"> <ul style="list-style-type: none"> (21 days before general election) (7 days before general election) (10th of the first month following the election) (10th of the first month following the end of the election cycle)³ </div> </div> |

If you are reporting for a special election held on a date other than the primary or general election, ask PDC for the Reporting Dates for Special Elections.

² There is no general county filing requirement. All City of Seattle office candidates file reports with the City of Seattle Ethics & Elections as well as the Public Disclosure Commission. Snohomish County office candidates (county executive, county auditor, etc.) file with the Recording Division of the County Auditor's office as well as the Public Disclosure Commission.)

³ If all bills are paid and surplus funds disposed of, this post general election C-4 report is your final report. If unpaid bills, loans or surplus funds remain, you must continue to file monthly C-4 reports.

Summary of Campaign Disclosure Reports

PDC Form	What it Contains	When it's Due*
F-1 Financial Affairs Statement	Sources of income, real estate transactions, bank accounts, stocks, debts owed, business holdings and business customers.	Within 2 weeks of becoming a candidate. (Incumbents who have a current report on file with PDC do not need to file another F-1 statement.)
C-1 Candidate Registration	Office sought, reporting option, committee officers, treasurer's name, time and place for public inspection of records.	Within 2 weeks of becoming a candidate. (For PDC purposes, someone may become a candidate well before a formal declaration is filed with elections officials. See instruction book.)
C-3 Cash Receipts, Monetary Contributions	Names of contributors, amounts, addresses, occupation, employer.	Bank deposits must be made at least weekly. Complete a C-3 for each deposit and file the C-3 reports as follows: For primary and general elections --Between June and general election day, file weekly on Mondays. For special elections --During last 4 months before election, file weekly on Mondays. Other Periods --File with C-4 reports.
Schedule L (Part 1)	Name and address of contributor (lender), amount of loan, interest rate, repayment schedule.	
Attachment Au	Names and addresses of contributors donating and purchasing auction items.	
C-4 Receipts and Expenditure Summary Schedule A	Total contributions and expenditures for campaign. Itemized expenses, contribution totals for period.	-Same day as C-1 if contributions were received or expenditures made before registering; -10th of each month to cover preceding calendar month (or period since last C-4) if over \$200 in contributions or expenditures;
Schedule B	In-kind contributions, pledges, orders placed.	-21 days before primary and general elections; -7 days before primary and general; and
Schedule C	Corrections, adjustments.	-10th of first month after election.
Schedule L (Parts 2-4)	Details regarding loan payments and loans forgiven and outstanding.	

Other Reports

- C-5** This form is used by Out-of-State PACs, including committees that are registered with the Federal Elections Commission, to report contributions of over \$50 they make to in-state candidates and political committees. This report must be filed by the out-of-state committee no later than the 10th day of the month following any month in which a contribution or other expenditure is made.
- C-6** This form is used by persons making:
- independent expenditures of \$100 or more that are not made to, or in conjunction with, a candidate or political committee;
 - independent expenditures for advertising of \$1,000 or more presented to the public within 21 days of an election; and
 - expenditures for an advertisement that clearly identifies at least one candidate for state, local, or judicial office; appears within 60 days of an election in the candidate's jurisdiction; is distributed through radio, television, postal mailing, billboard, newspaper or periodical; and, either alone, or in combination with other communications by the sponsor identifying the same candidate has a fair market value of \$5,000 or more.

*** File Campaign Disclosure Reports ("C" series forms C-3 and C-4) with the PDC. Reports are considered filed as of postmark date or, if filed electronically, on the file transfer date.**

2012 Key Reporting Dates for Candidates

DATE	ACTIVITY	C-4 REPORT PERIOD
Within two weeks of becoming a candidate	File a C-1 (non-incumbents also file an F-1)	
Jan 10	File monthly C-4 & C-3, if necessary	close of last report thru Dec 31
Feb 10	" "	close of last report thru Jan 31
Mar 12	" "	close of last report thru Feb 28
Apr 11	" "	close of last report thru Mar 31
May 10	" "	close of last report thru Apr 30
May 14 - 18	Declaration of candidacy filing week	
June 1	Begin filing C-3 reports weekly, each Monday, for deposits made during previous 7 days (Monday thru Sunday)	
June 11	File monthly C-4, if necessary	close of last report thru May 31
June 27	Final day before primary to change from mini to full reporting without special circumstances ⁴	
July 17	21 day pre-primary C-4 due ⁵	June 1 thru July 16
July 30 – Aug 6	Campaign books open for public inspection	
July 31	7 day pre-primary C-4 due	July 17 thru July 30
July 31 – Aug 6	Special reports due if candidate receives contributions of \$1,000 or more from one source. ⁶	
Aug 7	PRIMARY ELECTION DAY	
Sept 10	Post-primary C-4 due	July 31 thru Aug 31
Sept 25	Final day before general to change from mini to full reporting without special circumstances ¹	
Oct 16	21 day pre-general C-4 due	Sep 1 thru Oct 15
Oct 16 – Nov 5	Special reports due if candidate receives contributions of \$1,000 or more in the aggregate from one source. Unless the contribution is from the <u>state committee</u> of a major political party or a minor party, a candidate may not now receive from one source contributions totaling over \$5,000 in the aggregate. ³	
Oct 29 – Nov 5	Campaign books open for public inspection	
Oct 30	7 day pre-general C-4 due	Oct 16 thru Oct 29
Nov 6	GENERAL ELECTION DAY	
Dec 10	Post-general C-4 due (and C-3, if necessary)	Oct 30 thru Nov 30
Jan 10 (2013)	End of election cycle C-4 due (and C-3, if necessary)	Dec 1 – Dec 31

⁴ See WAC 390-16-125.

⁵ Only required of candidates whose names will appear on the primary election ballot or who are running as write-in candidates in the primary election. Candidates who are only in the general election file monthly reports for June, July, and August – these reports are due on the 10th of the following month.

⁶ Does not constitute authority to exceed any applicable local or state contribution limit.

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Part 1. General Information About the Law

Introduction

One of the primary purposes of the public disclosure law is to provide citizens of this state -- and especially voters -- with the means for becoming informed about the financing of political campaigns. The public disclosure law was enacted through voter approval of Initiative 276 in 1972. In 1992, voters instituted contribution limits and other campaign reforms with the passage of Initiative 134.

I-276 also established the five-member Public Disclosure Commission (PDC) to enforce the law. Commission members are appointed by the Governor for one five-year term. Commissioners set policy, adopt administrative rules, and interpret and enforce the law. They are citizen volunteers, not state employees. They typically meet in Olympia on the fourth Thursday of the month. The public is welcome to attend Commission meetings or watch a live webcast on the PDC's [website](#). The public can also follow the PDC's work at www.pdc.wa.gov.

This manual explains the disclosure requirements, prohibitions, and restrictions with which a candidate for local or judicial office must comply. Candidates for other offices should refer to the PDC's other candidate manuals. In addition to campaign requirements, a candidate for state office must also disclose some personal financial information. This disclosure requirement is fully explained in the PDC's Personal Financial Affairs Statement Instructions.

The law requires that records be kept and reports be filed of all contributions and expenditures. **Campaign records must be kept for five years from the date of the election.**

All candidates and committees subject to the Public Disclosure Law must do some reporting to the PDC, regardless of the amount of money they will receive from contributors or spend on their campaigns. Treasurers for most campaigns using full reporting will have to devote many hours to keeping exact records and filing accurate, detailed reports of receipts and expenditures.

The key to complying with both the regulatory and the reporting provisions of the law is to keep detailed records of each contribution and expenditure and file reports on time. The treasurer and the candidate share the responsibility of ensuring that that campaign reports are accurate, complete, and timely filed. Each year the PDC receives many complaints alleging violations of the public disclosure law. The PDC's most visible role is to hold hearings and judge these cases. The PDC can assess a civil penalty up to \$10,000 upon concluding that someone has violated the public disclosure law and may refer certain violations for criminal prosecution.

Most campaigns will be required to electronically file contribution and expenditure reports. E-filed reports are considered filed on the file transfer date. Any report mailed to the PDC is filed as of the postmark date. Mailed reports, schedules and attachments should be typewritten or printed in black ink. Use 8 1/2" x 11" white paper for attachments or enclosures so that they can be scanned and made available online.

Mandatory Electronic Filing

All candidates who expect to spend \$5,000 on the current campaign or met the \$5,000 expenditure threshold in the last campaign for the same office are required to submit campaign finance reports electronically.

The PDC has developed free [campaign finance reporting software \(ORCA\)](#) for electronically filing campaign reports. The application is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17A.

If you use campaign management software, the PDC can send you a "vendor kit." This is a software development package that, with some additional advanced programming, may enable your campaign to file electronically using your current software.

The Commission may make exceptions on a case-by-case basis for candidates whose authorized committees lack the technological ability to file reports electronically. A candidate seeking an exception under RCW 42.17A.245 submits to the PDC a written explanation why the authorized committee lacks the ability to file reports electronically. The PDC

will consider the request at their next meeting. The candidate making the request is encouraged to attend the meeting. The PDC staff can arrange for the candidate to participate by telephone if s/he is unable to appear in person.

The ORCA software should be used from the start of the campaign. Transitioning to the ORCA software mid-campaign will require data entry of contributor and expenditure data from the start of the campaign. The master data file may be shared among individuals, however only one person at a time may enter data. When sharing the file, one person will enter data, save their work, back up the file, and then send the file to the second person. Once the recipient enters data, the file must be backed up and sent back to the original person who restores it before doing more data entry. See page 62 for system requirements and download instructions or visit the PDC's [website](#).

Once installed, the ORCA software will create all of the reports a local or judicial candidate must file to comply with state law. Each report is then filed over the Internet. The campaign data should be backed up often. The PDC will not be able to restore data in the event of a computer failure.

Basic instructions for using the ORCA software are scattered throughout this manual. The ORCA software contains help tools such as on-screen tutorials and a frequently-asked questions section. Additionally, the PDC staff offers free workshops in Olympia – the schedule is [online](#). Pre-registration is required.

Which Candidates Must Report

Candidates who seek public office in jurisdictions that had 5,000 or more registered voters as of the last general election or in jurisdictions that encompass an entire county are subject to all provisions of the state public disclosure law.

Candidates for some offices are exempt from campaign record keeping and reporting requirements. These exempt offices are listed on the next page in the "Candidates Exempt From Reporting" section.

A person subject to the state public disclosure law becomes a candidate (and must begin reporting campaign activity) at the time he or she first does any one of the following:

- receives contributions or makes campaign-related expenditures;
- reserves space or facilities to promote his or her candidacy;
- purchases commercial advertising space or broadcast time to promote his or her candidacy;
- gives consent to another person to undertake one or more of the above actions on his or her behalf;
- publicly announces he or she is seeking office (even if this candidacy is conditioned on a future occurrence, like the outcome of polling, the receipt of a certain level of campaign funding or other indications of significant public support); or
- officially files for office.

Candidates who only use their own funds and do not accept contributions from others to conduct their campaigns must still keep records and file disclosure reports.

A candidate is limited to one campaign committee. However, a candidate may also participate in a committee organized to support a slate of candidates and in joint fund raising efforts. For more information, see Joint Fund Raising and "Slate" Committees on page 60.

Candidates Exempt From Reporting

Candidates seeking election to the following offices are exempt from the record keeping and reporting requirements of the state public disclosure law:

Who Registers With the PDC?

A county office candidate.

Any local office candidate running for office in a jurisdiction with at least 5,000 registered voters.

Any candidate who receives or *expects to receive* contributions of \$5,000 or more in the aggregate, unless the office sought is listed in the *Exempt From Reporting* section on the next page.

Expects to receive means that:

- The candidate or candidate's committee receives contributions totaling at least \$5,000, including contributions from the candidate;
- The candidate is seeking the same office last sought and contributions for the last campaign totaled \$5,000 or more;
- Contributions received total \$1,250 or more by March 31 of the election year; or
- Contributions received total \$2,500 or more by June 30 of the election year;
- Contributions received total \$3,750 or more by Sept. 30 of the election year; or
- The candidate anticipates that \$5,000 or more will be received during the election cycle.

- Precinct committee officer;
- Federal office (subject only to federal campaign laws);
- Offices in a city or other jurisdiction that had fewer than 5,000 registered voters as of the last general election and that does not encompass an entire county, *provided that the candidate does not receive or expect to receive contributions totaling more than \$5,000 over the course of the campaign*;
- Offices for which voters must have special qualifications not specified in the State Constitution (such as owning property). Examples include the following districts:

Agricultural Pest Control	Irrigation
Cemetery	Irrigation and Reclamation
Diking	Irrigation and Rehabilitation
Drainage	Mosquito Control
Education Service	Public Waterway
Flood Control	Sewer Improvement
Intercounty Weed	Weed

*Candidates in towns or districts that had 1,000 or more registered voters as of the last general election are required to file Statements of Financial Affairs -- PDC Form F-1.

NOTE: All candidates for state, local, or judicial office must still adhere to the law and rules governing political advertising and the prohibition against using public equipment or other resources to support or oppose a candidate or ballot measure regardless of whether they are exempt from the record keeping and reporting requirements of the state public disclosure law.

Reporting Options

All candidates who are not exempt from reporting must select a reporting option. That choice will be guided by the amount of money a candidate intends to raise and spend on his or her campaign.

Regardless of which option outlined below is chosen, all candidates and political committees must keep accurate, detailed records and make these records available for public inspection during the eight days preceding the primary, general or special election in which they're participating.

Mini Reporting: This reporting option is only available to candidates who will raise and spend no more than \$5,000, in addition to the amount spent on their filing fee, and who will receive no more than \$500 from any one contributor other than themselves. A bona fide political party may pay a candidate's filing fee, even if the filing fee exceeds \$500. Candidates choosing mini reporting must file the candidate registration statement (the C-1 form) and keep records of their contributions and expenditures. These candidates do not file contribution and expenditure reports. A Personal Financial Affairs Statement (F-1) is required. See Mini Reporting Instructions.

Full Reporting: All candidates raising and spending over \$5,000 on their campaigns or who wish to receive more than \$500 from any contributor must use the full reporting method. Full reporting filers submit frequent, detailed reports of the contributions they receive (C-3 reports) and the expenditures they make (C-4 reports with various schedules). The C-4 is used to summarize the campaign's financial activity. A Personal Financial Affairs Statement (F-1) is also required.

Changing Reporting Options

From mini reporting to full reporting. The Public Disclosure Commission realizes that candidates are not always able to accurately forecast campaign costs and may need to switch to a different reporting option. Changing from mini to full reporting requires the PDC staff's approval. So long as a completed application for changing options is received at least 30 business days before the election, the application will be approved.

In order to change from one reporting option to another, a candidate must notify all opponents in writing of the change (certified mail is suggested) and send the following documents to the PDC's executive director:

- a statement that verifies you have notified each opposing candidate or committee in writing of your plan to change reporting options;
- an amended registration statement (PDC form C-1) indicating the new reporting option; and
- PDC forms C-3 and C-4 with relevant schedules and attachments disclosing all contributions and expenditures from the start of the campaign to the current date.

If a candidate or political committee wishes to change from mini to full reporting and the completed application for changing options is received by the PDC at least 30 business days prior to the election, the application will be approved by the executive director. Approval to change reporting options received on or after 29 business days prior to the election will **only be approved** under the following circumstances:

2012 deadlines to switch to full reporting:

June 27 (pre-primary election)

September 25 (pre-general election)

- The candidate had filed a registration and commission staff failed to notify candidates of the ability to change options at least 40 business days prior to the election;
- A write-in opponent has filed for office within 30 business days of the election;
- An independent expenditure is made in support of the applicant's opponent or in opposition to the applicant within 30 business days of the election;
- A candidate's opponent has been approved to change reporting options; or
- A political committee on one side of an election campaign or proposition has opposition who received approval to change reporting options.

From full reporting to mini reporting. If a candidate wishes to change from full to mini reporting, no prior PDC approval is necessary. Simply amend the candidate registration statement (PDC form C-1) indicating the new option.





Bank Accounts

At the start of the campaign, the candidate or treasurer needs to open the bank account. Use the same name for your campaign account as you use for the candidate's committee.

Campaign accounts may be established in a bank, mutual savings bank, savings and loan association or credit union doing business in Washington State. Candidates seeking offices with single-county jurisdiction may only maintain one campaign checking account. Although candidates conducting campaigns in more than one county may establish a bank account in each county, it's not recommended that you do this because of the problems inherent in tracking and combining the activity of multiple accounts for the purpose of filing the campaign's disclosure reports.

Obtain a tax ID # from the IRS to use when opening the campaign bank account.

When opening the account, you'll be asked to supply a **federal tax identification number**. The Internal Revenue Service issues tax ID numbers; the application is accepted online, by phone, by fax, or by mail. According to information found at www.irs.wa.gov, tax ID numbers are issued immediately to those who apply online or by phone while applications received by fax or U.S. mail take up to four weeks to process.

-  Apply online at <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html?portlet=105>;
-  Call 1-800-829-4933 to apply by telephone;
-  Fax a completed IRS SS-4⁷ form to (859) 669-5760 or
-  Mail the completed SS-4¹ form to IRS, Attn: EIN Operation, Cincinnati, OH 45999.

The bank will report any interest earned on the campaign account to the IRS using the tax number you provide. Consult the IRS, your accountant or tax advisor regarding any tax liability or requirement to file a tax return. PDC staff cannot give tax-related advice or information.

⁷ Call 1-800-829-3676 to request IRS form SS-4.

Bank Deposits

Each contribution received by the campaign must be deposited within five business days of receipt.

Practically speaking, that means each campaign can make a weekly deposit and be in compliance with the law. A high volume of contributions may make more frequent deposits advisable.

Each time you make a bank deposit, prepare a Cash Receipts & Monetary Contributions Report (C-3). C-3 reports are filed each time a C-4 report is filed through May of the election year. Starting on June 1 of the election year, file the C-3 report on the first Monday after the deposit is made.

Deposit contributions within five (5) business days of when they are received.

Once the weekly filing of C-3 reports begins, DO NOT also send copies of these same C-3 reports with your C-4 reports.

After the election, C-3 reports are one again filed with a C-4 report.

Public Inspection of Campaign Records

During the eight days preceding a primary, general or special election, the campaign's books of account showing all contributions received, expenditures made and outstanding debts must be current within one business day. Further, they must be open for public inspection by anyone who wants to see them. These books must be available for inspection on weekdays beginning on the eighth day before the election (excluding legal holidays) by appointment between 8 a.m. and 8 p.m. at the location designated by the campaign on the registration statement (C-1). Take care that you respond to a request for an appointment within 24 hours.

If a candidate finances his or her entire campaign and does not accept contributions from anyone else, he or she may use his or her personal checking account for campaign activity. However, the candidate who uses a personal checking account for campaign activity has to make the check register and other records of the personal account available for public inspection.

2012 public inspection periods:

July 30 – Aug 6 (pre-primary election)

Oct. 29 – Nov. 5 (pre-general election)

The separate list of contributors giving \$25 or less does not need to be included with the records open for public inspection. All other "books of account" of the campaign must be current within one business day and be made available for public inspection. The campaign books include its checkbook register and any ledgers, journals or lists identifying contributors (and the date and amount each has given) as well as books showing any outstanding debts (including loans and orders placed but not yet paid). If these types of books are not kept, the campaign is expected to make available the documents that are customarily used to create these books of account; that is, the receipts, invoices, copies of contribution checks, notes or documents regarding orders placed or loans, etc.

If the campaign books are kept on computer, any person wanting to see the books must be given sufficient instruction to enable him or her to examine these books. The campaign is not required to make copies of its books, whether the books are kept on paper or in electronic form.

PDC Inquiries and Audits

PDC staff may contact your campaign advising you that a report is missing or incomplete, asking for clarification of a report or requesting more information. Please cooperate with these informal contacts and supply the requested information promptly.

Random audits of some campaigns may occur after each election. Some of these are in-depth and you will be asked to make available all your records, including receipts and other documentation. These audits are routine and we suggest you approach them matter of factly.

Audits also are conducted for cause because a complaint has been received or there is reason to believe disclosure reports are not accurate. If you are the subject of such an audit, be assured you will have every opportunity to explain your position.

Prohibitions and Restrictions

State and federal law impose certain prohibitions and restrictions on candidates for local and judicial office. Carefully study -- and adhere to -- the information provided below.

Public Service Announcements

A municipal officer may not speak or appear in a public service announcement that is broadcast, shown, or distributed in any form whatsoever during the period beginning January 1st and continuing through the general election if the office holder is a candidate. If the office holder does not control the broadcast, showing, or distribution of a public service announcement in which he or she speaks or appears, then the officer holder must contractually limit the use of the public service announcement so as to comply with this restriction. Public service announcements that are part of the regular duties of the office that only mention or visually display the office, office seal, or logo and do not mention or visually display the name of the officer holder or a picture of the officer holder are permitted to air during the election year.

Concealment [RCW 42.17A.435]

You must accurately record and report the actual sources and amounts of contributions received as well as the true recipients and amounts of expenditures. It is a violation of the law to use a fictitious name, no name or substitute name in order to conceal the truth.

Persons Prohibited from Making Contributions

None of the prohibitions noted in this prohibited contributions section is administered by the Public Disclosure Commission. If you have questions about whether one or more of the prohibitions apply to contributions you have received, consult your legal counsel or contact the agency involved.

Foreign Nationals: Federal election law prohibits all candidates and political committees in this country from receiving contributions from foreign nationals (individuals, corporations, associations or other foreign business entities).

However, individuals having "green cards" may contribute to elections in the United States. And, individuals, whether or not they have green cards, may generally volunteer their personal services to campaigns so long as they are not being paid by anyone for the volunteer work they do.

Contact the Federal Election Commission (FEC) for more information on this issue (800/424-9530).

Federal Banks and Other Corporations: Federally chartered banks, corporations, unions, insurance companies and federal government contractors should consult their legal advisors to determine whether other state or federal statutes prohibit their making contributions.

Judicial Officials and Candidates: The Code of Judicial Conduct restricts the activity of both judges and candidates for judicial office. The Commission on Judicial Conduct is charged with investigating alleged violations of the Code, and can be contacted at PO Box 1817, Olympia, WA 98507-1817 or (360) 753-4585. The Commission on Judicial Conduct cannot provide advisory opinions. These are available from the Ethics Advisory Committee of the Office of the Administrator of the Courts at PO Box 41174, Olympia, WA 98504-1174. Call Nancy Sullins at (360) 357-2124.

"Last Minute" Contributions [RCW 42.17A.420]

During the 21 days before the general election, no candidate for statewide office may accept aggregate contributions of more than \$50,000 from any contributor eligible to give that much. Similarly, candidates for other offices may not accept contributions totaling more than \$5,000 from any eligible contributor during this three-week period. These limitations do not apply to contributions accepted from the state committee of a major political party or from a minor party.

The statutory language imposing the \$5,000/\$50,000 contribution maximum has been interpreted by PDC to mean:

- A campaign loan received during the 21 days prior to the general election is subject to the limit, as are any loan co-signers or guarantors (and by law each guarantor is considered as giving the full amount of the loan);
- A pledge in excess of the amounts allowed by the limit may NOT be made by a contributor or received or redeemed by a candidate during the 21 days prior to the general election;
- A candidate who receives a contribution in excess of the allowed amount may retain the maximum permitted by law so long as the excess amount is immediately returned to the contributor;
- The contribution limit applies to all forms of contributions, including monetary, in-kind, loans, pledges, etc., and any combination of them;
- Earmarked contributions given to an intermediary during the 21 days before the general election for the benefit of a candidate may not exceed the applicable limit for the candidate and must be combined with contributions from the same contributor given directly to the candidate; and
- This 21 day pre-general election period begins at 12:01 a.m. PST on the third Tuesday before the general election held in November and ends at 11:59 p.m. PST on the Monday before the election.

Contributing to Others [RCW 42.17A.430(8)]

No candidate is allowed to transfer campaign funds to any other candidate or political committee, except for transfers of surplus funds to a bona fide political party or a caucus political committee. Surplus campaign funds -- the balance of contributions given with respect to an election that remain after all outstanding obligations for that election are paid -- may be transferred without limit to a bona fide political party or caucus campaign committee.

Additionally, one candidate may reimburse another candidate or political committee for his or her share of a documented and properly reported joint fund raising campaign expense. And, a candidate may purchase from another candidate or political committee an item or service that is directly related to the candidate's campaign so long as payment does not exceed the fair market value of the item or service.

Personal Use of Contributions [RCW 42.17A.445]

Any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a prohibited personal use of campaign funds.

According to the law, campaign contributions may only be spent for the personal use of the candidate, the treasurer or other person associated with the campaign under the following circumstances:

- reimbursement for loans or to cover earnings lost as a result of campaigning or for services performed for the campaign;
- reimbursement for direct out-of-pocket campaign or post-election campaign expenses; and
- repayment of loans made by the person to the campaign. Repayment of loans made by the candidate to his or her campaign is subject to limit. See Candidate Loan Repayments on page 9.

Documentation of these types of expenditures must be submitted with the C-4 report showing the payment to the individual.

See page 44 for more information on Permissible Expenditures.

Transmitting Contributions (Bundling) [RCW 42.17A.470]

Only an individual is permitted to collect contributions from others and transmit them to the intended recipient. Political committees, businesses, unions, and organizations -- or people representing them -- are prohibited from collecting

contributions from various sources (commonly known as bundling) and delivering or transmitting those bundled contributions to a candidate or political committee.

With respect to the legal bundling undertaken by individuals, unless the collected contributions are from the individual's employer, immediate family or an association to which the individual belongs, when delivering the contributions to the candidate's campaign, the individual must supply the following information:

The individual's full name, street address, occupation, name of employer or, if self-employed, place of business and the same information for each person or entity for which a contribution is being transmitted.

Reimbursement of Contributions [RCW 42.17A.485]

No one may directly or indirectly reimburse another person or entity for a contribution to a candidate, political committee or political party.

Use of Contributions for Different Office [RCW 42.17A.490]

A candidate who solicits contributions for one office may not use those contributions to seek a different office without first obtaining written approval of the persons or entities who donated the contributions. This is true whether a candidate registers for one office and then decides before the election to seek a different office, or whether the candidate wants to use funds left over after an election to seek a different office in a subsequent election. Even though written permission must be obtained in both circumstances, how the contributions being transferred to the new campaign are treated does vary.

Switching Offices Before the Election. Occasionally a candidate registers a campaign for one office and ultimately decides to declare and run for a different office. If this happens, the candidate may not transfer contributions received for the first campaign to the new campaign without first getting written approval from the contributors of the money remaining in the first campaign account as well as from donors of any remaining in-kind contributions (e.g., computers, copiers, etc.).

To identify the donors of the remaining funds, start with your most recent contribution, then the next most recent, etc., until you can attach donors' names to all of the contributions remaining in the campaign you are ending. Contact all of these contributors. With their written approval, you may move their funds from the first campaign account to the new account. If someone does not send written approval, that contributor's donation may NOT be used for the new campaign and must be disposed of under one of the other permissible uses of surplus campaign funds, as discussed below.

Each contribution that is transferred from the first campaign to the new campaign is attributed to the contributor and counts against that contributor's limit, if any, for the office now being sought.

Left-Over Contributions. A candidate who wants to use surplus funds from a previous campaign to seek an office different from the one for which the donations were collected also must get written approval to do so from the contributors of the funds left over from that earlier campaign. Use the process described above for identifying whose contributions are left. Again, if written permission is not provided for some contributions, those contributions may not be used for the new campaign, but must be spent for one of the other purposes outlined under Surplus Campaign Funds discussed below.

When a candidate is transferring contributions left over from a previously completed election campaign to a new campaign for a different office, those contributions that are moved to the new campaign are NOT attributed to their original source. The funds are simply moved as a lump sum of surplus funds to the new account. There may be multiple transfers to the new account, depending on when the campaign receives the written permission. On the C-3 report showing the deposit of the surplus money, simply note that surplus funds from a previous campaign are being deposited into the account with permission from the donors. (Keep the permission notices as part of the campaign records. Do not send copies of them to PDC unless a PDC staff member asks you to do so.)

Disposing of Surplus Campaign Funds [RCW 42.17A.430]

Surplus campaign funds -- the balance of contributions given with respect to an election that remain after all outstanding obligations for that election are paid -- may only be disposed of in one or more of the following ways:

- 1) returned to contributors [so long as the amount returned to a donor does not exceed the aggregate contributed];
- 2) transferred without limit to a political party or caucus political committee;
- 3) held for use in a future campaign for election to the same office last sought (or a different office, if written approval from the contributors of the remaining funds is obtained);
- 4) transferred to the candidate's personal account as payment for earnings lost as a result of campaigning, so long as the lost earnings can be documented, the payment does not exceed what the candidate would have otherwise earned, and all payments are properly recorded and reported;
- 5) donated to a charitable organization registered with the Secretary of State in accordance with RCW 19.09;
- 6) transmitted to the state treasurer for deposit in the general fund, the oral history, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 44.04.270, as specified by the candidate or political committee; and
- 7) deposited into a separate Surplus Funds Account and used to pay non-reimbursed public office related expenses and for any of the six purposes discussed above. See page 55 for more information on Surplus Funds Accounts.

Ending a Campaign Before the Election is Held

Occasionally, a candidate will register a campaign with the Public Disclosure Commission, accept contributions, and decide to end the campaign before the election is held. Follow these steps to dispose of remaining campaign funds when the campaign ends prematurely:

- Determine what contributions remain in the campaign account using the “first in, first out” method (i.e., starting with the most recent contributions received, determine which contributions remain unspent in the campaign account).
- Contributions can be
 - returned to the contributor when the campaign ends or
 - held in the campaign account until after the election is held, at which time they become surplus funds. Authorized uses of surplus funds can be found on page 9.
- A candidate who is subject to contribution limits and who ends the campaign before the primary election must immediately return any contributions that were received by the campaign and attributed to the general election.

A candidate who ends a campaign in order to start a campaign for a different office may not automatically transfer remaining campaign funds to the new campaign. See “Use of Contributions for a Different Office” on page 8.

Candidate Loan Repayments [RCW 42.17A.445]

Candidates may donate an unlimited amount of their personal funds and other resources to their own campaigns (except during the 21 days before the general election – see Last Minute Contributions on page 6). However, in order for a candidate's contribution to be eligible for repayment by the campaign, it must be recorded in a written loan agreement and be properly reported on PDC Form C-3 (or Part 1 of Schedule B to the C-4, if in-kind) and Schedule L as a loan.

State law puts a lid on the amount a candidate may be repaid for personal loans made to his or her campaign: \$5,000 for the primary and \$5,000 for the general election. A candidate who loans his or her campaign committee an aggregate amount of \$5,000 or less per election may be repaid in full by the committee up to the amount loaned.

However, a candidate who loans his or her campaign over \$5,000 for the primary or over \$5,000 for the general may only be repaid a maximum of \$5,000 per election. Once an aggregate of \$5,000 per election has been repaid to the candidate for one or more loans made to the committee for that primary or general election, no additional loan repayments may be made to the candidate for that election.

If a candidate makes documented out-of-pocket campaign expenditures and expects repayments (that is, he or she is not making an in-kind contribution), the campaign committee must repay the candidate within 21 days of the expenditure or the candidate will have made a loan to his or her committee. Repayment of these loans count against the candidate's \$5,000 loan repayment limit. Undocumented out-of-pocket campaign expenditures by the candidate -- that is, those for which the candidate has no sales receipts -- are in-kind contributions and are not eligible for repayment.

Use of Public Facilities [RCW 42.17A.555]

Elected and appointed officials as well as other public employees are prohibited from using or authorizing the use of any facilities of a public office or agency, directly or indirectly, to assist a candidate's election campaign or to promote or oppose a ballot proposition. Public agency facilities include, but are not limited to, office stationery, postage, machines, equipment, employees during working hours, vehicles, office space, office publications and client lists.

The restriction against using public facilities does not apply to:

- action taken at an open public meeting by members of an elected legislative body or an elected board, council, or commission of a special purpose district to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as any required notice of the meeting includes the title and number of the ballot proposition, and members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;
- a statement by an elected official in support of or in opposition to any ballot proposition at any open press conference or in response to a specific inquiry; and
- activities that are part of the normal and regular conduct of the office or agency. "Normal and regular" has been interpreted to mean those activities that are authorized by law and are customary for the agency.

Anonymous Contributions [RCW 42.17A.220]

Occasionally, campaigns receive funds from truly anonymous sources; that is, no one involved in the campaign knows who donated the money. Up to a point, the law allows campaigns to keep these anonymous contributions. Specifically, candidates may receive as much as \$300 or one percent of the total contributions received in a calendar year, whichever is greater. (The one percent won't come into play until the campaign receives over \$30,000 in contributions during a calendar year.)

If the maximum is reached, the campaign may not use or spend any additional anonymous funds received. These excess dollars must be returned to the donors if they can be identified or forfeited to the state's general fund.

If the contributors cannot be identified, immediately send a check to PDC payable to the State Treasurer in the amount of the overage, along with an explanation of the circumstances surrounding receipt of excess anonymous funds.

Campaigns may not legally use the anonymous contribution provision to avoid identifying contributors whose identities are known. Only contributors who either give a total of \$25 or less in the aggregate or who give in conjunction with a low-cost fund raiser need not be identified on contribution reports. A private list identifying these donors and how much they've given to date must be kept by the campaign.

Contributions received in connection with a qualifying low-cost fund raiser are NOT considered anonymous donations and are not subject to the \$300 or 1% limit. See Qualifying Low Cost Fund Raisers on page 32.

Contributions From Out-of-State & Federal PACs [RCW 42.17A.250]

An out-of-state political committee, *including committees registered with the Federal Elections Commission*, not registered with PDC (that is, a PAC located in a state other than Washington organized for the purpose of supporting or opposing candidates or ballot propositions) that contributes to or spends more than \$50 on behalf of any Washington state, local or judicial candidate, ballot measure or political committee must file either a C-5 report no later than the 10th day of the month following any month in which the contribution or expenditure was made or register as an in-state committee and file contribution and expenditure reports within two weeks of spending. Whether the out-of-state committee files the C-5 or registers as an in-state committee depends on whether it satisfies the criteria set out in [WAC 390-16-049](#).

NOTE: An out-of-state PAC that sponsors advertising that qualifies as an "independent expenditure" or an "electioneering communication" may have additional reporting requirements. See Independent Expenditures & Electioneering Communications on page 16.

Expenditure Restriction [RCW 42.17A.425]

According to state law, no expenditure may legally be made unless it's authorized by the candidate or a person named on the candidate's C-1 registration. Campaign treasurers are also required to maintain a complete record of all expenditures, including obligations that have not yet been paid by the campaign.

If the campaign makes expenditures of over \$50 in cash, rather than by check, a receipt signed by the vendor and the treasurer or candidate must be obtained and kept as part of the records.

Monetary Contributions [RCW 42.17A.475]

All monetary contributions received from PACs, political parties and caucus political committees must be by written instrument (e.g., check, money order, cashiers check). Those from individuals, associations, unions or businesses must be by written instrument if the contribution is over \$80. **Cash contributions must be deposited into the campaign bank account, and not spent directly or mingled with petty cash.** All monetary contributions, including those in cash, are required to be deposited into the campaign account within five business days of receipt.

Soliciting Government Employees [RCW 42.17A.565]

State and local elected officials (and their agents) may not knowingly solicit, directly or indirectly, a contribution to a candidate, political party or other political committee from an employee in the official's agency.

The Commission discussed the issue of "knowingly solicit" and determined that an official who obtains a general, broadly-based mailing list from a vendor (including lists purchased at fair market value from other candidates or committees) need not scrutinize that list for the names of employees in the official's agency prior to using it to solicit campaign contributions. For example, if an official obtains, from the county elections office, a list of persons who have consistently voted in local elections, the official could use this list to solicit contributions without being in violation of the law.

However, if a list were not broadly-based (for instance, it originally came from a city employee union), the official would be in jeopardy of violating the law if he or she uses the list to solicit contributions and it contains the names of persons who are employed by the official's agency. Similarly, if an official uses a list of contributors from his or her last campaign to solicit funds and is aware that this list includes names of current agency employees, those names known to the official must be removed.

Charging for Endorsement or Media Coverage [RCW 42.17A.480]

No person may solicit a candidate, political committee, political party or other person for money in exchange for an endorsement or an article in the news media supporting or opposing a candidate, committee or party.

Political Advertising

"Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign. [RCW 42.17A.005(36)]

This legal definition makes it clear that any communication -- whether written, audio or video -- that is produced and/or distributed in conjunction with your campaign is probably subject to the requirements governing political advertising.

All political advertising must include the candidate's political party preference (if you are running for a partisan office) and most ads must show the sponsor ID. See below for details.

Political Party Preference

All political ads supporting or opposing a candidate for partisan office are required to identify the candidate's party preference.

This rule applies whether the sponsor is a candidate, a candidate's committee, another political committee, an individual, or an organization or other type of entity, acting with the knowledge of, or independent of, the candidate.

Abbreviations for many party names have been approved by the Commission and may be used in lieu of fully spelling out the party name. The abbreviations are:

- Citizens – Cit
- Communist – Com
- Constitution – CP
- Democratic – D, Dem, Demo
- Independent – Ind, Indep
- Libertarian – L, LP, LBT, LBTN
- Progressive – P, PP, Prog
- Republican – GOP, R, Repub, Rep
- Socialist – Soc
- Socialist Workers – Soc Workers, SWP

Official symbols or logos adopted by state party committees may be used in place of the full party name or abbreviation to denote the candidate's party preference.

Sponsor Identification⁸

The sponsor of a political ad -- the candidate, committee or other person paying for the ad -- usually must be identified. If a person acts as an agent for someone else or is reimbursed for the funds actually used to pay for the ad, the original source of the payment (or the person doing the reimbursing) is the sponsor. It's illegal to use an assumed name when identifying an ad's sponsor.

However, if one or more persons purchase advertising supporting a candidate (or opposing that candidate's opponent) after consulting with or receiving the approval of the candidate, the candidate's campaign or agent, then the advertising is an in-kind contribution to the campaign and the sponsor may be identified as either the person(s) who purchased the ad, the candidate or the candidate's campaign. The candidate must report the in-kind contribution on Schedule B to the C-4.

Some items are considered too impractical to show the sponsor ID. A list of those items is provided at the end of this section.

⁸ Advertising that qualifies as an "independent expenditure" or "electioneering communication" is subject to different sponsor ID requirements. Those requirements are explained on page 17.

To identify the sponsor in print ads (newspaper display ads, flyers, brochures, letters, etc.), and paid ads distributed electronically via computer, use the words "Paid for by" or "Sponsored by" followed by the name and full postal mailing address (through zip code) of the sponsor(s). Treasurer's name is not required. Identification on an envelope used only for mailing purposes is optional, but is not sufficient to meet the sponsor ID requirement. The advertising enclosed in the envelope must be properly identified.

In broadcast ads (radio and television ads), identify the sponsor by using the words "Paid for by" or "Sponsored by" followed by the name of the person or group paying for the ad. No address is required. Both the sponsor ID and candidate's party preference must be clearly spoken.

If the sponsor is:

a candidate, show the name and address of the candidate or the candidate's committee (No address if broadcast ad);

a political committee,* show the name and address of the committee (No address if broadcast ad; treasurer's name is not required);

an organization or business,* show the name and address of the organization or business (No address if broadcast ad; treasurer's name is not required);

more than one person or group,* show the name and address of each sponsor. (No address if broadcast ad.) If one person pays for printing and another person pays for mailing, list both as sponsors. If a person contributes cash, goods or services to the campaign in order to assist in paying for an ad, it is not necessary to show this contributor's name as a sponsor, provided the contribution is properly reported. The candidate or the candidate's committee must be identified as the sponsor, however.

NOTE: Advertising that qualifies as an "independent expenditure" or an "electioneering communication" is subject to different sponsor ID requirements, unless the sponsor is a political party. See Independent Expenditures & Electioneering Communications on page 16.

Effect of US Supreme Court Decision in McIntyre v. Ohio Elections Commission. In June of 1995, the Commission found that there is a narrow set of circumstances under which it will not enforce the sponsor identification section of the law, RCW 42.17A.320(1). As such, the sponsor's name and address may be left off of a political ad that meets ALL of the following criteria:

- The sponsor is an individual acting on his or her own behalf and independently of any candidate or authorized committee, political committee, bona fide political party or party organization, caucus political committee or any corporation, union, business, association, or other organization or entity.
- The sponsor personally produces and distributes the ad (or pays for it to be produced or distributed from personal funds) and he or she receives no donations, contributions or other payments from others for the production and distribution of the ad;
- The ad supports or opposes a state-wide or local ballot proposition (not a candidate);
- The ad costs less than \$100 total to produce and distribute; and
- The ad is in writing (e.g., letter, flyer, etc.) but does not appear in a newspaper or other publication and is not communicated electronically.

ID Size and Placement

On written or printed political advertising, the sponsor's name and address and the candidate's party preference (if the candidate is seeking partisan office) must:

- appear on the first page of the communication in at least 10 point type; or
- for ads such as billboards or posters, appear in type at least 10% of the largest size type used in the ad; and
- not be screened or half-toned (i.e., not made lighter through some printing or photographic process); and
- be set apart from any other printed text in the ad.

Sign Location

The Washington State Department of Transportation regulates when and where campaign signs can be placed along Interstate highways, primary highways, and highways that are part of the Scenic and Recreational system. See WSDOT's letter to candidates at the end of this manual. Check with your city's or county's public works departments for regulations governing campaign signs in those jurisdictions.

Campaign Activities on the Internet

The Public Disclosure Commission has adopted an interpretation regarding campaign activities on the Internet to provide guidance to state and local campaigns who engage in online activities such as e-mailing, blogging, maintaining websites, and sponsoring online political advertising. [PDC Interpretation 07-04](#) is available online under *Laws & Rules* at www.pdc.wa.gov.

Items Exempt From Sponsor ID

Some advertising items, like yard signs that are 8'x 4' or smaller (32 sq. feet), need not include the sponsor identification. Other items exempt from sponsor ID are:

ashtrays	magnifying glasses
badges & badge holders	matchbooks
balloons	nail clippers & files
bingo chips	newspaper ads (one column inch or smaller)
brushes	noisemakers
bumper stickers (4" x 15" or smaller)	official state or local voter pamphlets
business cards	paper & plastic cups and plates
buttons	paper weights
cigarette lighters	pencils
clothes pins	pens
clothing	plastic tableware
coasters	pocket protectors
combs	pot holders
cups	reader boards with moveable letters
earrings	ribbons
emery boards	rulers (12" or smaller)
envelopes	shoe horns
erasers	skywriting
frisbees	staple removers
glasses	stickers (2-3/4" or 1" or smaller)
golf balls & tees	sun glasses
hand-held signs	sun visors
hats	swizzle sticks
horns	tickets to fund raisers
ice scrapers	water towers
inscriptions	whistles
key rings	yard signs (8' x 4' or smaller)
knives	yo-yos
labels	all similar items
letter openers	

Content of Advertising

There are some additional rules to follow when composing political advertising:

- Be sure that the ad correctly identifies the sponsor and is truthful;
- If candidate photos are used in any ad, at least one of them must have been taken within the last five years and be no smaller than the largest candidate photo appearing in the ad.

- “**Incumbent**” means a person who now holds an elected office;
- “**Re-elect**” represents that the candidate is presently holding the office being sought, was elected to it and is seeking another term in that same office.
- The term “**re-elect**” may be used in a political ad by a non-incumbent who has previously been elected to the office being sought provided that it is clearly stated in the same ad that the candidate is not the incumbent;
- “**Retain**” represents that the candidate is the incumbent, but does not imply that the candidate obtained the position by election;
- “**Return**” represents that the candidate now holds, or has previously held, the office being sought but not necessarily by election.

State law does not require candidates to identify the office or position they are seeking in their advertising.

Violations

It is illegal to sponsor an ad, with actual malice, that contains a statement constituting libel or defamation per se⁹ if:

- it is a false statement of material fact about a candidate for public office (unless a candidate is making a statement about him or herself or if the statement is made by the candidate’s agent about the candidate)¹⁰,
- it falsely represents that a candidate is an incumbent¹¹, or
- it directly or indirectly implies a candidate has the support or endorsement of any person or organization when the candidate does not (unless the statement is made by the person or organization)¹².

It is also illegal to:

- distribute campaign material that is deceptively similar in design or appearance to the voters and candidates’ pamphlets published by the Secretary of State,
- Use the state seal or its likeness to assist or defeat any candidate for elective office, or
- Use an assumed name when identifying the sponsor.

Political Advertising Check List

When developing and proofreading political ads, be sure they are:

- ✓ properly identified with sponsor ID and, if necessary, the candidate’s political party preference;
- ✓ truthful;
- ✓ in compliance with the definitions of “incumbent,” “re-elect,” “retain,” and “return;”
- ✓ accurate with respect to claimed or implied endorsements;
- ✓ not representing the candidate as the incumbent unless he or she is; and
- ✓ not deceptively similar to official voters and candidates pamphlets.

⁹ “Libel or defamation per se” are statements that tend

- to expose a living person to hatred, contempt, ridicule, or obloquy [censure, blame, or abusive language aimed at a person or thing, especially by numerous persons or by the general public; discredit, disgrace, or bad repute resulting from public blame, abuse, or denunciation] , or to deprive the person of the benefit of public confidence or social intercourse;
- or to injure any person, corporation, or association in his, her, or its business or occupation.

¹⁰ A false statement of material fact exposes the candidate to contempt, ridicule, or reproach and can deprive the candidate of the benefit of public confidence, or prejudice him or her in his or her profession, trade, or vocation.

¹¹ A statement falsely representing that a candidate is the incumbent for the office sought deprives the actual incumbent and the candidates of the benefit of public confidence and injures the actual incumbent in the ability to effectively serve as an elected official.

¹² A false claim of endorsement deprives the person or organization of the benefit of public confidence and/or will expose the person or organization to contempt, ridicule, or reproach, or injure the person or organization in their business or occupation.

Independent Expenditures & Electioneering Communications

Independent expenditures and expenditures for electioneering communications are important because they are a constitutionally protected form of speech and may not be subject to limit, unlike contributions. Therefore, as long as an expenditure does not constitute a "contribution," the person making it is free to spend as much or as little as he or she likes.

Definition of Independent Expenditure. For most applications in the disclosure law, an independent expenditure is defined to be an expenditure for political advertising that:

- costs at least \$800 (either alone or in conjunction with other ads by the same sponsor benefiting the same candidate);
- supports or opposes a clearly identified candidate for state or local office;
- is paid for by someone other than a candidate, a candidate's committee or agent; and
- is paid for by some individual or entity who undertakes the advertising without having received the benefiting candidate's encouragement or approval or without collaborating with this candidate or the candidate's agent.

Definition of Electioneering Communication. Advertising must have all of the following four characteristics in order to qualify as an electioneering communication:

- The communication clearly identifies at least one candidate for state, local, or judicial office;
- appears within 60 days of an election in the candidate's jurisdiction;
- in one or more of the following media – radio, television, postal mailing, billboard, newspaper, or periodical; and
- either alone, or in combination with other communications by the sponsor identifying the candidate, has a fair market value of \$1,000 or more.

Be aware that if an expenditure meets the legal definition of "contribution," it is subject to limit and it is not considered an independent expenditure or electioneering communication. The definition of "contribution" is found in RCW 42.17A.005 and WAC 390-05-210. For this discussion of independent expenditures, it is particularly important to keep in mind that a contribution includes:

- an expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, the candidate's authorized committee or their agents; or
- paying to disseminate, distribute, or republish -- partially or completely -- a political ad prepared by a candidate, the candidate's authorized committee or other agent, regardless of whether the ad is written, broadcast or in some other form.

A person may perform ministerial functions for a candidate and a political committee without jeopardizing the political committee's eligibility to make independent expenditures or electioneering communications regarding that candidate as long as:

- The person performs solely ministerial functions for both the candidate and the political committee;
- The person is identified on both the candidate's and political committee's registration statements as a person performing ministerial functions for the campaign; and
- The person does not share information from or about one of the campaigns with the other campaign, or does not use information from or about one of the campaigns to assist the other campaign.

Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records. However, if a person performs functions for both a candidate and a political committee and those functions for one or both campaigns entail duties beyond those deemed ministerial, any expenditure by the committee benefiting the candidate may be a contribution rather than an independent expenditure or electioneering communication.

In summary, if a candidate wants to avoid compromising someone's ability to make independent expenditures or electioneering communications, neither the candidate, the candidate's committee, nor an agent of the committee may:

- Give the person encouragement, approval or direction regarding an expenditure supporting the candidate or opposing the candidate's opponent;
- Collaborate or coordinate with the person regarding an expenditure that supports the candidate or opposes the candidate's opponent;
- Provide the person with information about the candidate's plans, projects or needs prior to an expenditure supporting the candidate or opposing the candidate's opponent being made; or
- Assist a political committee with fundraising when it is known that the committee will sponsor an independent expenditure or electioneering communication that benefits the candidate.

[For more information, see RCW 42.17A.005(13), (26) and (33), WAC 390-16-313 and WACs 390-05-243 and 390-05-210.]

Sponsor ID. All political advertising undertaken as an independent expenditure or an electioneering communication by any person or entity other than a party organization must include the following statement on the advertising:

"No candidate authorized this ad. It is paid for by (name, address, city, state.)"

In addition, if the ad is sponsored by a caucus political committee, a PAC or other political committee (except a party organization), the following must also appear:

- "Top Five Contributors" followed by a list of the names of the five persons or entities making the largest contributions in excess of \$700 to the committee during the 12 months before the ad runs. If a political committee keeps records tracking contributions according to the use intended by contributors, and subsequently makes independent expenditures supporting or opposing a candidate, that committee may identify the top five contributors giving for that purpose; AND
- The full name of the individual or entity that established or directly maintains or controls the sponsoring committee (or indirectly maintains or controls the sponsoring committee through the formation of one or more political committees).

These sponsor ID/controlling entity/individual and "Top 5" contributors messages must also comply with the ID size and placement standards discussed above.

For radio ads, the following statement must be clearly spoken, or for television ads, appear in print and be visible for at least four seconds, appear in letters greater than 4% of the visual screen height, and have a reasonable color contrast with the background: *"No candidate authorized this ad. Paid for by (name, city, state)."* In addition, top five contributor information, as discussed above, is necessary if the ad is sponsored by a political committee required to file with the Public Disclosure Commission.

Independent expenditure advertising in the form of yard signs, bumper stickers, skywriting are exempt from sponsor ID, these ads are also exempt from the Notice to Voters and Top Five Contributors requirements. See the entire list of exempt items on page 14.

Reporting. Independent expenditures (IEs) made by PACs, political parties and caucus political committees are reported by these spenders as part of their regular, periodic C-4 reports. All of these political committees are required to answer a question on their C-4 forms regarding whether or not the report being filed includes any IEs. Expenditures made for electioneering communications by PACs, political parties, and caucus political committees are also reported on the C-4 report. If an advertising expense qualifies both as an independent expenditure and an electioneering communication, it must be reported as an electioneering communication. Please read the following "C-6 Reports" section to determine when additional reporting is required for sponsors of independent expenditures and electioneering communication.

C-6 Reports: The purpose of an independent expenditure as well as its amount determines when the C-6 report must be filed. The next three paragraphs explain the different events that would trigger a C-6 report and when the report is due:

Individuals, unions, businesses, associations and other entities who do not report to the Public Disclosure Commission and who make independent expenditures of \$100 or more supporting or opposing a candidate or ballot measure must file a C-6 report with PDC. The first report is due within 5 days of when the expense is made. This C-6 report may be electronically filed. If subsequent IEs are made, additional reports are required on the same dates that C-4 reports are filed.

Persons sponsoring independent expenditure political ads valued at \$1,000 or more that are mailed or otherwise presented to the public within twenty-one days of a primary, general or special election are required to file a C-6 report within 24 hours of, or on the first working day after, the date the advertisement was first mailed or otherwise presented to the public. This C-6 report may be electronically filed. Additional independent expenditures of any amount following the expenditure listed on the initial filing must be reported within 24 hours. A political committee who sponsors independent expenditure ads reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

All electioneering communications must be reported on a C-6 report electronically filed within 24 hours of, or the first working day after, the communication was first broadcast, mailed, erected, or published. A political committee who makes expenditures for electioneering communications reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

L-2 Reports: If a lobbyist or lobbyist employer sponsors political advertising supporting or opposing a candidate or ballot measure, whether the ad constitutes a contribution, independent expenditure, or electioneering communication, the amount paid for the advertising must be reported by the lobbyist on his or her monthly L-2 lobbying report. This L-2 reporting is in addition to the required C-6 filing.

C-7 Reports: Any business, union, association, organization or other entity -- except a lobbyist employer that files an L-3 report or a political committee that files C-4 reports -- making independent expenditures during a calendar year that total over \$800 supporting or opposing state office candidates or statewide ballot measures must file a C-7 (Special Political Expenditures Report). The report is due by the last day of February of the year following the one in which the expenditures were incurred and is in addition to the C-6 filing requirements.

Part 2. Filing Campaign Reports

Register as a Candidate on a C-1

A candidate who 1) receives or expects to receive aggregate contributions of \$5,000 or more or 2) runs for public office in a jurisdiction that had 5,000 or more registered voters as of the last general election or in a jurisdiction covering an entire county is subject to campaign disclosure and must register with PDC on Form C-1 (unless the candidate satisfies one of the exemptions found on page 2).

This registration must be filed within two weeks of becoming a candidate. A person becomes a candidate for disclosure purposes when he or she first does any one of the following:

- receives contributions;
- makes campaign-related expenditures;
- reserves space or purchases advertising to promote his or her candidacy;
- authorizes someone else to do any of these activities on his or her behalf;
- states publicly that he or she is seeking office (even if the candidacy is conditioned on some future occurrence, like receiving endorsements or raising a certain amount of money); or
- files for office.

File the C-1 with the PDC.

Mail the C-1, E-file it, or file in person. Find blank forms under *Filer Resources* at www.pdc.wa.gov.

Do not file the C-1 with your county's elections officer, unless you are running for county office in Snohomish Co.

It's very common for persons to become candidates for purposes of the public disclosure law well before they officially file for office in May.

Amended C-1 forms must be filed within ten days of any changes that make the previously filed C-1 outdated. Incumbents are to file a new C-1 when they begin a new campaign by raising money (for purposes other than paying off old campaign debts), making expenditures for the upcoming election, reserving space or purchasing advertising to promote their candidacy, authorizing another to do one of these activities for them, publicly announcing their intention to run, or filing for office, whichever occurs first.

The C-1 Form May Be Electronically Filed

There are two ways to electronically file the C-1 Form – either using the ORCA software or by clicking the *C1/C1PC Electronic Filing* quick link at www.pdc.wa.gov. A candidate who has not previously set up an electronic filing account to file campaign reports will be prompted to print, sign, and mail a signature card when e-filing the C-1 form. The electronically filed C-1 form is considered filed when it has been submitted to the PDC and the candidate's signature card has been received.

The C-1 form may also be mailed to the PDC. Mailed C-1 forms are considered filed as of the postmark date. Reporting forms and instructions are found under Filer Resources at www.pdc.wa.gov. Upon request, the PDC will mail forms to a candidate who does not have access to the Internet. *Even though the PDC maintains printable forms, any campaign that spends \$5,000 or expects to spend \$5,000 is required to electronically file contribution and expenditure reports.*

Copies of the registration and other campaign finance reports are no longer filed with the counties' Elections Administrators.

Filling Out the C-1 Form

Paper filers - please type or print clearly using black ink. (The reports are scanned into a document imaging system, and black reproduces clearly.)

State the candidate's first name, middle initial, and last name (as it will appear on the ballot). For example, John A. "Jack" Jones or Margaret C. "Maggie" Smith.

Identify the candidate's committee name (e.g., Citizens for Jones). Show the committee's full mailing address, including the nine-digit zip code. Also provide telephone, facsimile and candidate & campaign e-mail addresses. See example on page 21.

<u>Item No.</u>	<u>Description</u>
1)	Show the office being sought, the district, county or city, the position number and indicate whether the candidate currently holds the office being sought.
2)	If you're seeking a partisan office, specify your political party preference.
3)	Give the date of the relevant general or special election.
4)	Choose a reporting option after carefully noting the limitations that apply to mini reporting. It is best not to choose mini reporting unless the candidate expects to stay within the respective monetary limits during the entire campaign.
5)	Identify the campaign's treasurer, the person who will be responsible for receiving contributions, making expenditures and keeping accurate, detailed records. A candidate may be his or her own treasurer. (Candidates are ultimately responsible for the accuracy of their records and reports.) Include the treasurer's daytime telephone number. <u>Do NOT provide the telephone of a government office.</u>
6)	List the name, address and title of any person who performs only ministerial functions for your campaign <u>and</u> another candidate or political committee. Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records.
7)	List the name, address and title of your campaign officers (e.g., chairperson, vice-chair, manager, coordinator and other key people). "Officer" includes anyone designated by the campaign as an officer and any person who alone or in conjunction with other persons makes contribution, expenditure, strategic or policy decisions on behalf of the campaign.
8)	Name the financial institution where your campaign account is kept, along with the branch office location and city.
9)	If the candidate is affiliated with any joint fund raising committee or a committee organized to support a slate of candidates, give the name and address of the committee(s) and state the relationship.
10)	During the eight days before each primary, general or special election in which the candidate is on the ballot or running as a write-in candidate, campaign books of account must be open for public inspection by appointment. Supply the street address and city for where your records may be examined and provide contact information for arranging appointments.
11)	Traditional paper-filed Registrations are not considered filed unless signed by the candidate. E-filers will submit a signature card signed by both the candidate and treasurer.

<p>PUBLIC DISCLOSURE COMMISSION</p> <p>711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828</p>		<h1 style="margin: 0;">Candidate Registration</h1>		<h1 style="margin: 0;">C1</h1> <p>(1/12)</p>	
Candidate's Name (Give candidate's full name.)				Telephone Number	
John A. "Jack" Jones, Jr.				(253) 555-1313	
Candidate's Committee Name (Do not abbreviate.)				Fax Number	
Jones for County Coroner				(253) 555-1314	
Mailing Address				Candidate's E-Mail Address	
123 Miller Way				jjones@aol.com	
City	County	Zip + 4	Campaign E-Mail Address		
Anyplace	Pierce	98000-0000	jack@jones4coroner.com		
1. What office are you running for?		Legislative District, County or City	Position No.	Do you now hold this office?	
county coroner		Pierce County		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
2. Political party (if partisan office)			3. Date of general or special election		
Independent			November 2012		
4. How much do you plan to spend during your entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. If no box is checked you are obligated to use Option II, Full Reporting. See instruction manuals for information about reports required and changing reporting options.					
<input type="checkbox"/> Option I MINI REPORTING: In addition to my filing fee of \$_____, I will raise and spend no more than \$5,000, including any charges for inclusion in state and local voters pamphlets. I will not accept more than \$500 in the aggregate from any contributor except myself.					
<input checked="" type="checkbox"/> Option II FULL REPORTING: I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.					
5. Treasurer's Name and Address. Does treasurer perform <u>only</u> ministerial functions? Yes ___ No <input checked="" type="checkbox"/> . See WAC 390-05-243 and next page for details. List deputy treasurers on attached sheet.				Daytime Telephone Number	
Michael Kennedy, 114 Miller Way, Anyplace, WA 98000-0000				(509) 555-1113	
6. Persons who perform only ministerial functions on your behalf <u>and</u> on behalf of other candidates or political committees. List name, title and address of these persons. See WAC 390-05-243 and next page for details. <input type="checkbox"/> Continued on attached sheet.					
Louise Fargo 502 Main Street, Anyplace, WA 98000-0000 Betty Wells 819 Stevens Blvd., Anyplace, WA 98000-0000					
7. Committee Officers and other persons who authorize expenditures or make decisions on your behalf. List name, title and address. See next page for definition of "officer." <input type="checkbox"/> Continued on attached sheet.					
Carol Jean Jones, Manager 123 Miller Way, Anyplace, WA 98000-0000 George Anthony, Finance Chair 400 Main Street, Anyplace, WA 98000-0000 Karen Lynn, Volunteer Chair 42 Second Street, Anyplace, WA 98000-0000					
8. Campaign Bank or Depository		Branch	City		
Anyplace Savings & Loan		Oak Street Mall	Anyplace		
9. Related or Affiliated Political Committees. List name, address and relationship. <input type="checkbox"/> Continued on attached sheet.					
People for Responsible Gov. P O Box 85, Anyplace, WA 98000 Sharing Advertising					
10. Campaign books must be open to the public by appointment between 8 a.m. and 8 p.m. during the eight days before the election, except Saturdays, Sundays, and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address.					
Street Address, Room Number, City where campaign books will be available for inspection 123 Miller Way, Anyplace In order to make an appointment, contact the campaign at (telephone, fax, e-mail): (509) 555-1313					
11. CERTIFICATION: I certify that this report is true, complete and correct to the best of my knowledge.					
Candidate's Signature				Date	
John A. Jones, Jr.				2/7/2012	

SEE INSTRUCTIONS ON REVERSE

Election Cycle

The C-1 is valid only for the election cycle for which it is filed. Technically, the election cycle begins on January 1 after the last general election for the office being sought. Practically, it begins on the day the individual becomes a candidate. The cycle ends on December 31 after the general election for the office being sought. (A candidate who loses the primary election will likely finish the campaign, close the campaign's bank account, and file a final report before December 31.)

The duration of the election cycle is important for local and judicial candidates subject to contribution limits because general election contributions may not be made after the cycle ends. Further, while most contributors have a per election limit, meaning one limit for the primary election and a separate limit for the general election, bona fide political party committees and caucus political committees have one limit for the election cycle and can give contributions to local candidates any time during the election cycle. For example, an individual may give \$900 to a Pierce County Executive candidate for the primary election, and an additional \$900 for the general election. However, a political party's county central committee may give \$186,462 (45¢ times the number of registered voters in Pierce County) at any time during the election cycle. See Contribution Limits section for more details on limits.

Contribution Limits

Judicial candidates: A candidate for any judicial office is prohibited from accepting aggregate contributions exceeding \$1,800 per election from any source other than the candidate.

Local candidates: County office, mayoral, and city council candidates are subject to an \$900 per election limit from any source other than the candidate, a bona fide political party, or caucus campaign committee. Some cities have enacted and enforce their own lower limits. Mayoral and city council candidates should check with the city clerk (Ethics & Elections in Seattle) to see if the city has adopted contribution limits.

During the last three weeks before the general election, no one other than a state bona fide party can contribute more than \$5,000 to a local office candidate. This timing provision applies to the candidate's personal contributions as well as contributions from others.

Port district candidates: Port commissioner candidates seeking election to the Port of Tacoma or Port of Seattle are subject to a \$1,800 per election limit from any source other than the candidate, a bona fide political party, or a caucus campaign committee. Candidates running for office in other port districts or any other special purpose district are not subject to limits.

All other local office candidates are not subject to contribution limits.

Source of Contribution	To Ports of Seattle & Tacoma Commissioner Candidates	County Office Candidates Mayoral Candidates City Council Candidates
Individual	\$1,800 ¹	\$900 ¹
Union or Business	1,800 ¹	900 ¹
Political Action Committee	1,800 ¹	900 ¹
State Party Central Committee	.90/voter ²	.90/voter ²
County Party Central Committee	.45/voter ³	.45/voter ³
Legislative District Committee	.45/voter ³	.45/voter ³
Caucus Political Committee	.90/voter ²	.90/voter ²
	shared limit	shared limit

- 1 This is a per election limit; each primary, general and special election is considered a separate election. This limit does not apply to the candidate using personal funds to give to his or her own campaign. The limit does apply to the candidate's spouse.

A candidate who is only on the general election ballot, may not accept both primary and general election contributions once it is determined that there will not be a primary election. Furthermore, if any donor had given an aggregate contribution in excess of the single limit, the candidate must refund the excess.

Donors giving to candidates subject to contribution limits may make primary election contributions up to 30 days after the date of the primary if the candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. General election contributions must be made no later than December 31 of the election year. *Candidates who win the primary election may not accept primary election contributions after the primary.*

During the 21 days before the general election, no candidate for local office may contribute to his or her own campaign more than \$5,000 in the aggregate.

- 2 The limit amount of \$.90 times the number of registered voters in the jurisdiction is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the election year in which election is sought. Contributions must be made no later than December 31 of the election year.
- 3 County central and legislative district committees may only give to candidates running for office in their jurisdictions. During the election cycle (defined in #2 above), all county central committees and legislative district committees in the state share a combined limit to each candidate of \$.45 times the number of registered voters in the jurisdiction where the candidate seeks office. Voter counts are taken from the last general election before the election year. (During the 21 days before the general election, however, neither a county central committee nor a legislative district committee may give a local office candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.

Contributions by the Candidate

The personal funds of a candidate contributed to his or her own campaign are not subject to any overall contribution limit, but may not exceed the \$5,000 restriction imposed during the 21 days preceding the general election and discussed on page 6. Nevertheless, even though there is no limit on the amount a candidate may give his or her own campaign, there is a restriction on how much the candidate may be reimbursed by the campaign. See Candidate Loan Repayments on page 9.

Campaign contributions from the candidate's spouse are subject to contribution limits.

By administrative rule [WAC 390-17-305], the personal funds of a candidate are as follows:

- assets that the candidate has legal access to, or control over, and legal title to at the time he or she becomes a candidate;
- income from employment;
- dividends and proceeds from stocks and other investments;
- income from trusts, if the trusts were established before candidacy;
- income from trusts established from bequests, even if these trusts were established after candidacy;
- customarily received personal gifts;
- proceeds from lotteries and similar games of chance; and
- his or her portion of assets owned jointly with a spouse (and, if the candidate's financial interest is not specified, his or her share is considered to be one half of the value of the asset).

Gifts and loans received by the candidate that are in any way connected to his or her campaign, even remotely, are considered contributions from the original donor and are subject to limit.

The one exception is a written loan agreement entered into by the candidate with a commercial lending institution that is made in the ordinary course of business on the same terms regularly available to the general public, and that is not guaranteed or co-signed by anyone else. If a candidate's committee repays a commercial loan made to the candidate, that repayment may not exceed \$5,000 per election. A commercial loan to a candidate's committee is presumed to be guaranteed by the candidate and repayment by the committee may also not exceed \$5,000 per election. See Candidate Loan Repayments on page 9.

Monetary and In-Kind Contributions

The law requires that all contributions to the candidate's campaign be reported. The information in this section will explain what a contribution is (and is not), discuss fund raising activities and also give details on contribution record keeping and reporting.

A candidate for county office, mayoral office¹³, city council office,¹³ or judicial office are subject to contribution limits. All judicial candidates are subject to contribution limits. Port of Tacoma and Port of Seattle commissioner candidates are also subject to contribution limits. These limits are explained in more detail on page 22. A candidate running for a local office not mentioned here is not subject to limits.

All candidates on the primary and general election ballots are subject to the "last minute" contribution limitations in place before each election discussed on page 6.

Definition

The term "contribution" includes:

- a loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;
- an expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, or their agents; or
- the financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or its authorized agent.

Dollars received from the sale of tickets to fund raising events such as dinners, concerts, parties and the like are contributions. The purchasers of the tickets are the contributors, even if the tickets are given to others. The record keeping associated with a fund raiser may be greatly reduced if the event qualifies as a low-cost fund raiser. See page 32 for further information.

The amount of contributions received from persons attending a fund raiser may be reduced for reporting purposes by the actual cost of consumables furnished in connection with the event, and only the excess over the actual cost of the consumables is a contribution. See the discussion on Deducting Cost of Consumables on page 59. (If you're holding a low-cost fund raiser where you simply lump together all funds received at the event and do not attribute the funds received to the persons attending, you would not also deduct the cost of consumables. See Qualifying Low-Cost Fund Raisers on page 32.)

Contributions, other than money, have a dollar value equivalent to the fair market value of the item. If services or items are provided to a campaign at less than their fair market value, reportable in-kind contributions have been received by the candidate.

What is Not a Contribution

The following activities are NOT considered contributions and need not be reported on your campaign disclosure forms:

- ordinary home hospitality, including coffee hours, cocktail parties, wine and cheese parties and similar gatherings where the purpose is to meet the candidate or organize a campaign and where no admission fee is charged or contributions expected from those attending;
- personal services of the sort commonly performed by volunteers so long as the volunteers are not compensated by anyone (see Volunteer Services below);

¹³ Some cities have enacted and enforce their own lower contribution limit. Candidates for mayor and city council should ask their city's clerk (Ethics & Elections in the City of Seattle) if the city has adopted campaign contribution limits.

- incidental expenditures by volunteers of \$50 or less in the aggregate (if this limit is exceeded, the entire amount is reported as an in-kind contribution and subsequent expenditures by the volunteer would be disclosed as contributions on future reports) – see page 38 for more details;
- a news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political committee;
- internal political communications from 1) a corporation or similar enterprise primarily to its officers, management staff and stockholders, 2) a union, association or other membership organization primarily to its members, or 3) a political party organization or political committee primarily to its contributors;
- messages on reader boards, banners, and yard or window signs displayed on a person's own property or property occupied by the person. However, if the person normally charges a fee to display a message, an in-kind contribution would occur if no comparable fee were charged for display of a political ad.

Everything else of value given the candidate or the candidate's committee for use in the election campaign -- including discounts on items purchased or services rendered -- is a contribution and must be recorded as such in your records and included on the appropriate report.

Volunteer Services

As noted above in the definition of "contribution," personal services that are commonly performed by campaign volunteers are not considered contributions so long as the individual who performs one or more of these activities is not compensated by any person for the services rendered.

This means that volunteers (who are not paid by anyone for the volunteer tasks they perform) may do certain campaign work without the candidate having to report their services as in-kind contributions.

The Commission has defined "volunteer services" to include:

- Office staffing;
- Doorbelling or leaflet drops;
- Mail handling (folding, stuffing, sorting and postal preparation);
- Political or fundraising event staffing;
- Telephone bank activity (conducting voter identification, surveys or polling, and get-out-the-vote campaigns);
- Construction and placement of yard signs, hand-held signs or in-door signs;
- Chauffeuring for candidate or campaign staff;
- Scheduling of campaign appointments and events;
- Transporting voters to polling places on election day;
- The services of any individual, except an attorney or accountant*, provided that the services donated are solely for the purpose of ensuring compliance with state election or public disclosure laws.
- Campaign consulting and management services, polling and survey design, public relations and advertising or fundraising performed by any individual, so long as the individual is not a professional in that field who ordinarily charges a fee or receives compensation for providing those services, and
- All similar activities as determined by the Commission.

[*Note that an attorney or accountant may donate his or her professional services to a candidate in order to assist the candidate in complying with state election or PDC laws even if he or she is employed and is receiving payment from his or her employer for the services rendered to the candidate's campaign, or if the attorney or accountant is self-employed or performing the services without compensation during his or her own time.]

Keeping Records of Contributions

Except for low-cost fund raisers explained on page 32, the campaign should keep following information for each contribution received:

- date contribution was received by the campaign;
- name, address, city, state and zip code of the contributor;
- amount of the contribution (or the value and description of an in-kind contribution);
- total amount the contributor has given since the start of your campaign, including loans, pledges and monetary and in-kind contributions; and
- occupation of any individual who has given more than \$100 in the aggregate since the beginning of the campaign and the name, city and state of the individual's employer. (Failure to comply with this or any other reporting requirement could result in the campaign being found in substantial non-compliance with the disclosure law and its implementing rules.)

Monetary contributions must be deposited within five business days of when they are received.

There are limitations associated with cash (actual currency) contributions. No one can give more than \$90 cash. In other words, a contribution that's more than \$90 must be made by written instrument. Furthermore, political committees, political parties and caucus committees must make all monetary contributions by check, regardless of amount.

Candidates subject to contribution limits are also keeping track of how much each contributor has given for the primary and general elections. Candidates who will be on the primary ballot must take care not to spend any general election money on the primary campaign. It's not a requirement, but PDC staff recommends that any general election contributions received before the primary be deposited into a savings account.

See page 40 for an explanation of how to enter in-kind contributions.

"Receipt" of Contributions

In the past, some campaigns have had difficulty determining when a contribution is officially considered received. In order to remedy this confusion, the Commission adopted the following administrative rule.

"Receipt" of a campaign contribution....shall be deemed to occur at the earliest of the following:

- the date that the candidate, treasurer, deputy treasurer, campaign manager, campaign chairperson or similarly situated campaign official obtains possession of the contribution, or
- the date that the candidate, treasurer, deputy treasurer, campaign manager, campaign chairperson or similarly situated campaign official is informed of the contribution, or becomes aware that the campaign, or in the case of an earmarked contribution, the intermediary, has possession of the contribution, or
- the date that the contribution becomes available for use by the candidate or committee.

Sources of Contributions

Candidates and treasurers who file disclosure reports listing their sources of contributions must often make decisions about whom to show as the contributor.

Contributors have the obligation to inform campaigns of the true and actual sources of the donation at the time the contribution is made. However, in the absence of other information concerning a contribution's true source, follow the interpretations given below when keeping records, identifying your contributors on the C-3 report and when complying with the contribution restriction in effect during the 21 days before the general election.

One-Party Personal Checks: List the name printed on the top of the check as the contributor.

Joint Personal Account Checks: Attribute equal parts of the contribution to the names of the individuals printed on the check, or the whole amount to both individuals, unless a written explanation to the contrary accompanies the contribution.

(For example, in the case of a \$100 check drawn on the account of John and Mary Smith, the entire amount could be attributed to John and Mary as a unit, or \$50 to John and \$50 to Mary.)

Checks Drawn on Sole-Proprietor Business Accounts: For contribution purposes, the owner of the business and the business entity are considered one and the same. Show the business owner's name as the contributor. The owner's aggregate contribution total must include donations from his/her personal funds as well as from the business.

Partnership Account Checks: List the partnership as the contributor, unless the contribution is to be paid from one or more of the partners' capital accounts, in which case the contribution is attributed to the partner or partners whose funds are being used. Written notice of this arrangement should accompany the check.

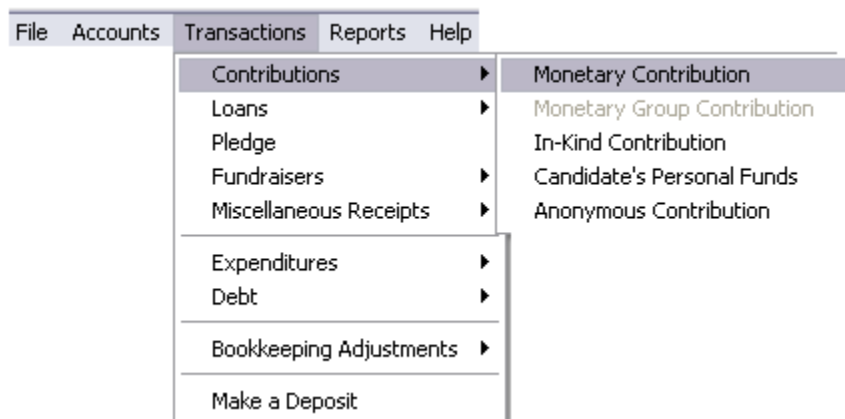
Corporate, Union or Association Account Checks: Show the contribution as coming from the corporation, union or association whose name is printed on the check, unless the giver is affiliated for contribution purposes with another entity, in which case the contribution is attributed to both entities.

PAC Checks: Show the political committee whose name is printed on the check as the contributor. A PAC established, financed, maintained or controlled by a corporation, union, association or any other type of organization shares the \$5,000 contribution maximum during the 21 days before the general election with this entity.

Contributions From Minors: Contributions by unemancipated children under eighteen years of age are considered contributions by their parents and are attributed proportionately to each parent. In the case of a single custodial parent, the total amount of the contribution is attributed to that parent; otherwise, 50% of the contribution is attributed to each parent.

Contributions from emancipated children under eighteen years of age are considered contributions from the child if the decision to contribute is made knowingly and voluntarily by the child, the contribution is from a source owned and controlled exclusively by the child, and the contribution does not result from a gift intended to give the child the wherewithal to contribute.

Entering Monetary Contributions in the ORCA Software



All monetary contributions are uniformly entered in the ORCA software. When the C-3 report is generated/filed, small contributions of \$25 or less will not be itemized unless the *Always Itemize* box is checked in the ORCA software (see the example on the next page). State law does not require a contributor's name and address to be disclosed until the contributor has given more than \$25 in the aggregate. If the *Always Itemize* box is not checked, the number of small contributions deposited and the total dollar amount will appear on Line 1.e of the C-3 report instead of each contribution being listed separately.

Entering contributions is a two-step process the first time someone gives a contribution. The contribution itself is entered, plus information about the contributor:

Contributor Name JOHN DONOR		
Contribution Account 4000 - Monetary Contributions		
Amount \$900.00	Date 02/15/2012	Check No. (optional)
Election Primary <input type="checkbox"/> Always Itemize		
Memo (optional)		

Prefix	First Name JOHN	Middle	Last Name DONOR	Suffix
Street 18 DONOR WAY				
City DONORVILLE	State WA	Zip 99999		
Phone (optional)	Email (optional)			
Occupation OWNER				
Employer Name DONOR OUTFITTERS				
Street				
City COEUR D' ALENE	State ID	Zip		
Memo (optional) volunteered to put up signs				

The C-3 is generated by “making a deposit” in the ORCA software: Each deposit that the campaign makes is reported on a separate C-3 report.


File	Accounts	Transactions	Reports	Help
<ul style="list-style-type: none"> Contributions Loans Pledge Fundraisers Miscellaneous Receipts Expenditures Debt Bookkeeping Adjustments Make a Deposit 				

Un-deposited Items				
Contact	Type	Amount	Date	
<input type="checkbox"/> NIBBLES BAK...	Mo...	\$900.00	02/28/2012	
<input type="checkbox"/> NIBBLES BAK...	Mo...	\$900.00	02/28/2012	

Bank Account 1000 - Bank Accounts	Date 02/16/2012			
Deposited Items				
Contact	Type	Amount	Date	
<input type="checkbox"/> JOHN DONOR	Mo...	\$900.00	02/15/2012	
Deposit Total: \$900.00				
Memo (optional)				

1 of 4

When making deposits in the ORCA software, make the sure the date in the top right corner is the date the money was deposited in the campaign’s bank account. See the example of the C-3 report on the next page generated from the deposit in the above example.



PDC staff recommends that campaign data files be backed up weekly!

The PDC cannot restore campaign data after a computer failure.

Candidate or Committee Name (Do not abbreviate. Use full name.)

JOHN JONES (Jones for Coroner)

Mailing Address

123 Miller Way

City

Anyplace

$$2p + 4$$

98000-0000

Office Sought (candidates)

COUNTY CORONER

Election Date

2012

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received	Amount	Total
a. Anonymous	\$0.00	\$0.00
b. Candidate's personal funds deposited in the bank (include candidate loans in 1c)		
c. Loans, notes, security agreements. Attach Schedule L		
d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation.		
e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100: [*] Employer's Name, City and State	P R I O R I T Y	A M O U N T	Aggregate [*] Total
02/15/2012	JOHN DONOR 18 DONOR WAY DONORVILLE WA 99999	DONOR OUTFITTERS COEUR D' ALENE ID	X	\$900.00	\$900.00
		Occupation OWNER			
		Occupation			
		Occupation			
		Occupation			
		Occupation			
		Occupation			
		Occupation			
		Sub-total		\$900.00	
		Amount from attached pages		\$0.00	
	<input type="checkbox"/> Check here if additional pages are attached				[*] See reverse for

3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C-1.

\$900.00

4. Date of Deposit

02/16/2012

I certify that this report is true and complete to the best of my knowledge

Treasurer's Signature

Date _____

Treasurer's Daytime Telephone No.: (253) 555-1212

Contributions of Uncertain Origin

Do not deposit any contribution or accept any in-kind contribution if you know or suspect it has been made in a fictitious name, or by one person through an agent, relative, political committee, or any other person so as to conceal the true source or to exceed the contribution restriction in effect during the 21 days before the general election. Return such a contribution within ten calendar days to the source, if known, or endorse the check and make it payable to the Washington State Treasurer. Send the check to PDC, along with an explanation, for deposit in the state's general fund.

Loans

All loans, regardless of the source, received by the candidate or his/her campaign:

- must be by written agreement;
- are reported in Part 1 of Schedule L and, if monetary, on the C-3 report, or if in-kind, in Part 1 of Schedule B; and
- are subject to contribution limits as well as the restriction in place during the 21 days before the general election when all contributions from one source (including loans) may not exceed \$5,000 to a local candidate, unless the contributor is the state committee of a bona fide political party.

There are also special circumstances that apply to certain types of loans.

Candidate Loans. Candidates may choose to make loans to their own campaigns from their own personal funds. The definition of "personal funds" is discussed in Contributions by the Candidate on page 23. The law says that the maximum amount the campaign may repay the candidate for all loans he or she makes to the campaign is \$5,000 for the primary election and \$5,000 for the general election. A candidate's primary election loan must be spent on the primary and a general election loan may only be used for general election expenses. *Repayment of a candidate's in-kind loans count against the \$5,000 repayment limit. See pages 9-10 for more information.*

Commercial Loans. Loans to a candidate or candidate's committee from commercial lending institutions made in the regular course of business on the same terms ordinarily available to the public are considered loans to the candidate and are reported on the C-3 and Schedule L as coming from the candidate (not the lending institution). Persons who guarantee or co-sign such loans have made a contribution in the full amount of the loan. Repayment of commercial loans to a candidate or candidate's committee may not exceed \$5,000 per election.

Non-Commercial Loans. A loan from an individual, political committee, corporation, union or other entity that is received by the candidate or the campaign is a contribution to the campaign from the lender, and when combined with other contributions from that contributor, may not exceed the limit allowed by law, if the candidate is subject to contribution limits. Persons who co-sign a loan have made a contribution in the full amount of the loan.

Regardless of the type of loan, the amount contributed by lenders and co-signers is reduced as their loans are repaid. Repayments are reported in Part 2 of the Schedule L and on the C-4 report. Information on reporting loan repayments is provided on page 49. See page 40 for information about in-kind loans.

Loan Disclosure

The following information must be reported for each loan received:

- the date the loan was received;
- the lender's name and address (and, if the loan is more than \$100, report the lender's occupation as well as name, city and state of the employer);
- if the loan is from the candidate or a contributor who has a per-election limit, show whether the loan is for the primary or the general election;
- the amount of the loan;
- the rate of interest charged (if any);
- the terms for repayment;
- the date by which the loan is to be repaid in full; and
- the names of any endorser, co-signer or loan guarantor.

Entering Monetary Loans in the ORCA Software

The screenshot shows the ORCA Software interface. On the left, the 'Transactions' menu is open, with 'Loans' selected. Below 'Loans', 'Cash Loan' and 'In-Kind Loan' are listed. The main window displays the 'Enter Loan' form. The 'Lender Name' is 'JOHN A JONES'. The 'Loan Amount' is '\$4,000.00', 'Date Received' is '02/10/2012', and 'Election' is 'Primary'. The 'Interest Rate' is blank, 'Due Date' is '12/31/2012', and 'Check No. (optional)' is blank. The 'Repayment Schedule' is 'As funds become available'. There is a checkbox for 'Carry Forward Loans' which is unchecked. A 'Memo (optional)' field is at the bottom. On the right, there is a table for 'Payments' with columns 'Amount', 'Date', and 'Account'. At the bottom right, the 'Loan Balance' is '\$4,000.00'.

Once the loan is entered, the final step is to deposit it. The C-3 report resulting from the deposit will include a loan report (Schedule L).

The screenshot shows the 'LOANS' section of the Schedule L report. The report is titled 'SCHEDULE TO C3 OR C4' with a large 'L' and '(12/99)'. The 'Page' is '1'. The 'Candidate or Committee Name' is 'JOHN JONES (Jones for Coroner)' and the 'Report Date' is '02/12/2012'. Section '1. MONETARY OR IN-KIND LOAN RECEIVED' states: 'Loans are considered contributions and are subject to any applicable limit.' The table below lists the loan details:

Date Loaned	Lender's Name and Address	PRI	GEN	Amount of Loan	Annual Interest Rate	Repayment Schedule	Date Due
02/10/2012	JOHN JONES JR 123 Miller Way Anyplace WA 98000-0000	X		\$4,000.00	0.0%	As funds become	12/31/2012

Below the table, it says: 'If monetary loan, also include this amount on line 1c, C3 report. If in-kind loan, itemize in Part 1 of Schedule B.' There is a section for 'Name and Address of Each Loan Endorser, Co-Signer' with a table for 'PRI' and 'GEN' columns. The 'Aggregate Total' is shown. The 'Lender's Occupation and Name, City & State of Employer' is 'PHYSICIAN, NW MEDICAL GROUP, LAKEWOOD, WA'. The 'Endorser's Occupation and Name, City, & State of Employer' is also listed.

See page 49 for instructions on entering loan payments in the ORCA software.

Fund Raising Events

Money raised in connection with a fund raising event must be deposited into your campaign account and reported on a C-3 report. However, the amount donated by each contributor purchasing a ticket may be reduced by the pro-rated cost of consumables provided. Consumables include food, beverages, preparation, catering or entertainment furnished at the event. See page 59 for more information about deducting the cost of consumables.

All in-kind contributions received in connection with a fund raising event are also considered contributions and are reported on Schedule B to the C-4 report. In-kind contributions are reported at their fair market value. See "Valuing In-Kind Contributions," page 39.

Unless the event is a "Qualifying Low-Cost Fund Raiser," the campaign must keep track of how much each contributor donated, identify on the C-3 report the names and addresses of those who gave over \$25 at the fund raiser or whose cumulative totals for the campaign are now over \$25, and also show the occupation and employer of any individual who has given more than \$100 in the aggregate.

Frequently, at fund raisers, candidates receive contributions from anonymous sources. Any anonymous funds received at a fund raiser count toward the limit placed on the amount of anonymous funds that may legally be received (\$300 per calendar year or 1% of the total contributions received during the calendar year, whichever is more). Funds received in connection with a "Qualifying Low-Cost Fund Raiser" are not considered anonymous, even though the sources are unidentified.

Qualifying Low-Cost Fund Raisers

When a qualifying low-cost fund raiser is held, you only need report on the C-3 the activity's date, a description of the event, and the total amount received from all contributors paying \$50 or less.

You do not have to keep track of how much each person contributed and record that information in your records or itemize it on a contribution report. In-kind contributions of \$50 or under received in connection with a qualifying low-cost fund raiser need not be reported at all. Any event satisfying one of the criteria listed below qualifies as a low-cost fund raiser.

The following events qualify as low-cost fund raisers:

- retail sales of goods or services at a reasonable approximation of their fair market value;
- a gambling operation conducted in compliance with state gambling laws (contact the Gambling Commission at 360/486-3440);
- a food and beverage event where the admission price or the cost for the food and beverages is no more than \$25;
- an entertainment event (concert, dance, theater performance, etc.) where the admission price is no more than \$25; and
- an auction or similar sale where the total fair market value of items donated by any person is no more than \$50.

If someone pays over \$50 to participate in a qualifying event or pays more than \$50 to purchase auction or sale items, you must record the full amount of that contribution in your records, identify the person's name and address on the C-3 report and show occupation and employer if the individual has given more than \$100 to the campaign.

However, the remainder of the funds collected from participants paying \$50 or less may still be lumped together and reported as a single sum on the C-3.

If you sell goods or services at over their fair market value, or hold events having an admission price of more than \$25, or hold an auction and anyone donates items worth more than \$50, **it is not a low-cost fund raiser** and you must record and report the amounts given by each contributor participating in the event.

The entire event does not qualify as a low-cost fund raiser (and you must record and report the amounts given by each contributor participating in the event) **if you:**

- sell goods or services at over their fair market value, or
- hold food/beverage or entertainment events having an admission price of more than \$25, or
- hold an auction or similar sale and someone donates items worth more than \$50.

Some people invited to low-cost fund raisers will not pay at the door, but rather will forward a check either before or after the event. So long as they attend the event, you may treat their contribution like other funds received in connection with the event. It's not expected that all the funds received in relation to an event will appear on one C-3, since money will trickle in both before and after the event. However, if someone does not attend the fund raiser, but sends along a contribution anyway, that money is treated as a regular contribution and is not lumped together with fund raiser receipts.



ORCA users should regularly update the software. Updates keep up with changes in state law and incorporate users' suggestions.

PC users install updates by clicking the software's "ORCA Web Update" icon.

MAC users update their ORCA software through the PDC's [website](#).

Entering Low Cost Fund Raisers in the ORCA software

File Accounts Transactions Reports Help

Contributions
Loans
Pledge
Fundraisers
Miscellaneous Receipts
Expenditures
Debt
Bookkeeping Adjustments
Make a Deposit

Cash Fundraisers
Low-Cost Fundraisers
Auctions

Fundraiser Name
KICK OFF PARTY
Amount
\$2,300.00
Date
02/14/2012
Street
52 COURT C
City
TACOMA
State
WA
Zip
98405
Memo (optional)
92 people @ \$25

1 of 1

Once deposited in the ORCA software, the low cost fundraiser proceeds appear in Section 2 of the C3 report:

PUBLIC DISCLOSURE COMMISSION
711 CAPITOL WAY RM 206
PO BOX 40908
OLYMPIA WA 98504-0908
(360) 753-1111
TOLL FREE 1-877-601-2828

**CASH RECEIPTS
MONETARY
CONTRIBUTIONS**

C3
(1/02)

THIS SPACE FOR OFFICE USE

Candidate or Committee Name (Do not abbreviate. Use full name.)
JOHN JONES (Jones for Coroner)

Mailing Address
123 Miller Way

City	Zip + 4	Office Sought (candidates)	Election Date
Anyplace	98000-0000	COUNTY CORONER	2012

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
	a. Anonymous.....	\$0.00	\$0.00
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c)		
	c. Loans, notes, security agreements. Attach Schedule L		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
02/14/2012	PROCEEDS FROM LOW COST FUNDRAISER				\$2,300.00	\$0.00
	Occupation					

Auctions (Attachment Au)

Many campaigns hold auctions to raise campaign dollars.

Auctions that qualify as low-cost fund raisers do not need to be reported on Attachment Au to the C-3; the in-kind donations go unreported altogether and the receipts generated by the event are lumped together and reported on the C-3. See "Qualifying Low-Cost Fundraisers" on page 32.

However, **auctions that do not qualify as low-cost fund raisers** (usually because you want someone who is donating auction items to be able to give you more than \$50 worth of items) **must be fully reported** on an Auction Report (Attachment Au), with the total received noted on line 1d of the C-3.

The ORCA software makes reporting auctions very easy: After the auction is held, enter each auction item, contributor information for each item's donor and buyer, the item's fair market value and sales price. Based on this information, the software determines who contributed the auction's proceeds. (When a donated item sells for its fair market value or less, the amount the item sells for is contributed by the item's donor. When an item sells for more than its fair market value, the item's fair market value is a contribution from the item's donor and the excess is a contribution from the item's buyer. See Auction report on page 35 for an illustration.)

Preparation is the key to simplifying the reporting of auctions.

Pre-auction: Make a list of the donated items. You'll need a brief description of each item and its fair market value along with the donor's name, address, and occupation/employer information if the donor is an individual.

During the auction: Keep track of who buys each item and the winning bid amount. You'll need the bidder's name, address, and occupation/employer information if the bidder is an individual.

Recording an Auction in the ORCA Software:

First, you'll be asked to name the auction:

The screenshot shows the ORCA software interface. On the left, a menu bar includes 'File', 'Accounts', 'Transactions', 'Reports', and 'Help'. The 'Transactions' menu is open, showing options like 'Contributions', 'Loans', 'Pledge', 'Fundraisers', 'Miscellaneous Receipts', 'Expenditures', 'Debt', 'Bookkeeping Adjustments', and 'Make a Deposit'. The 'Fundraisers' option is selected, and a sub-menu is open showing 'Cash Fundraisers', 'Low-Cost Fundraisers', and 'Auctions'. The 'Auctions' option is highlighted. On the right, the 'Auction Name' form is displayed. It has fields for 'Auction Name' (PRESIDENTS DAY AUCTION), 'Date' (02/20/2012), 'Address' (862 MAIN ST), 'City' (PUYALLUP), 'State' (WA), and 'Zip' (98374). There is also a 'Memo (optional)' field. Below the form is an 'Event Balance' field. A green arrow points from a green box labeled 'CLICK TO ADD AUCTION ITEMS' to the 'Auction Items' table.

Item #	Item Desc.	Sold Amt.

After the auction, simply enter each item along the corresponding donor's and winning bidder's detailed information. (Another screen will appear in which the donor's and bidder's contact information is entered if one or the other has not previously contributed to the campaign.) This step must be done after the auction because the winning bidder's information is required when the auction items are entered.

Be sure to use only numbers – no letters or other characters – when entering the items. And use each number just once.

Item Number	Item Description	
1	Lake Chelan cabin - 3 days/2 nights	
Donor Information		
Name MELANIE ZISK		
Fair Market Value	Check No. (optional)	Election
\$900.00		Primary
Buyer Information		
Name STEPHANIE CAMPER		
Purchase Price	Check No. (optional)	Election
\$1,200.00		Primary

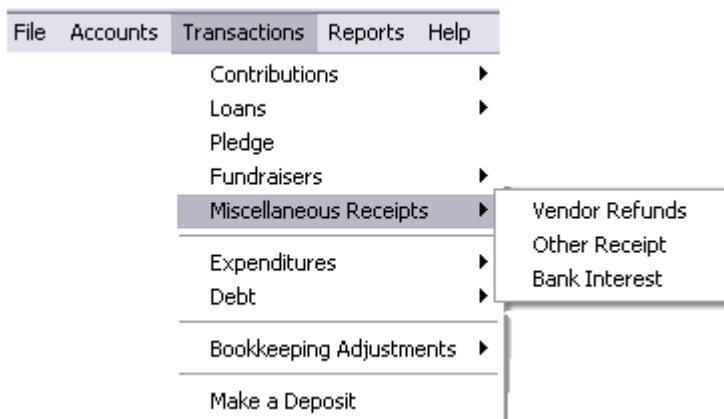
Item Number	Item Description	
2	USPS framed art - Captain America	
Donor Information		
Name DIRK BUTLER		
Fair Market Value	Check No. (optional)	Election
\$39.95		Primary
Buyer Information		
Name MARY CHAPMAN		
Purchase Price	Check No. (optional)	Election
\$25.00		General

Once all the items are entered, the final step is to deposit the auction proceeds. The auction proceeds appear on Line 1.d of the C-3 report and an auction report (Schedule Au) will be attached. The Schedule Au generated by the two entries seen above would look like this:

AUCTION REPORT		ATTACHMENT TO C3		Au		Page 1	
Candidate or Committee Name (Do not abbreviate. Use full name.)		Date Auction was held					
JOHN JONES (Jones for Coroner)		02/20/2012					
Item No. Description	Name and Address	P R E N	Fair Market Value	Sale Price	Amount Over Fair Market Value	Aggregate Total	
1 Lake Chelan cabin - 3 days/2nights	Contributor MELANIE ZISK 5 MOUNTAIN VIEW WAY EATONVILLE WA 98328 *Occupation and Employer: RETIRED	X	\$900.00			\$900.00	
	Buyer STEPHANIE CAMPER 21 AGATE DR GIG HARBOR WA 98335 *Occupation and Employer: REGISTERED NURSE Multicare Tacoma WA	X		\$1,200.00	\$300.00	\$300.00	
2 USPS framed art - Captain America	Contributor DIRK BUTLER 698 STONEHENGE GRAHAM WA 98307 *Occupation and Employer:	X	\$39.95			\$25.00	
	Buyer MARY CHAPMAN 333 MOUNTAIN VIEW COURT SUMNER WA 98390 *Occupation and Employer:	X		\$25.00	\$0.00	\$0.00	
	Contributor						
	*Occupation and Employer:						
	Buyer						
	*Occupation and Employer:						
*If an individual - whether a contributor or buyer - has given \$100 or more in the aggregate to the campaign, show his or her occupation and the name, city & state of his or her employer.			Cash receipts, this page Total sale price column Total from attached pages Total cash receipts Put this amount in part 1d of C3 report		\$1,225.00 \$0.00 \$1,225.00		
I certify that the information herein is true, correct and complete to the best of my knowledge. Treasurer's signature _____ Date _____							

Receipts That Are Not Contributions

Occasionally, a campaign receives money that is not a contribution. Typical examples are bank interest, vendor refunds, and a reimbursement from another campaign for shared expenses. ORCA users will report these receipts under *Transactions>>Miscellaneous Receipts*.

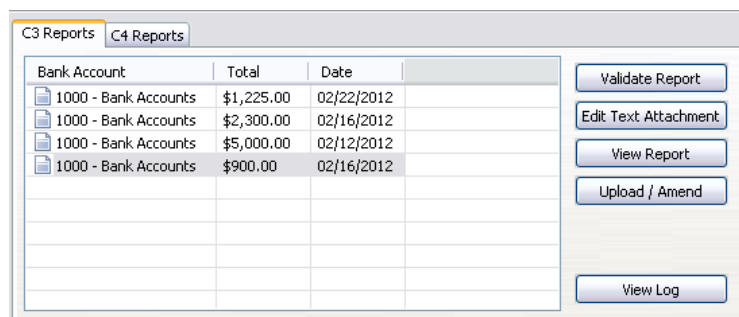


The C-3 Report

File a separate C-3 report for each bank deposit. "Making a deposit" in the ORCA software generates a C-3 report. Once you've made a deposit, find the C-3 report under Reports >> Preview/Print & Submit Reports.

ORCA users should validate each C-3 report before filing. Validating will point out errors and deficiencies like missing contributor information and over-limit contributions.

The validate feature is found in ORCA's Reports Manager.



Besides validating, you should also look at the report before filing it. Make sure that the deposit date in the lower left corner is accurate. Also look at the deposit total on Line 3 – it should match the amount actually deposited in the campaign's bank account. If the amounts do not match, compare each entry to what was actually deposited and fix the error(s) before filing the report.

If a report is due and you are missing a contributor's address or employer/occupation information, file the report by the deadline but keep working on getting the missing information. Once you have it, amend the report.

Prior to June 1 in the election year, C-3 reports are due no later than the 10th of each month. These reports will disclose contributions made in the previous month. Beginning June 1 of the election year, C-3 reports are due on the first Monday after a deposit is made. It is not necessary to wait until a filing deadline to file a C-3 report. Just be sure to not file *after* the deadline!

Cash Receipts and Expenditures [Schedule A, Part 1]

The date and total of each deposit made during a C-4 reporting period must be shown in Part 1 of Schedule A, in addition to any interest earned on the campaign account (since this interest automatically appears in the account without being deposited by the campaign). This is the mechanism for building new contributions and interest receipts into the C-4 summary report.

One of the benefits of E-filing is that the ORCA software compiles the deposits at the top of the Schedule A. The ORCA user has to set up the C-4 reporting periods in the software before the C-4 report can be generated. The reporting periods are controlled under File >> Committee Information. For most candidates, it's simply a matter of

selecting the “primary ballot” option from the choices on the right. Candidates who move on to the general will add additional reporting periods by returning to the screen and selecting the “general ballot” option.

[illegible]

Then, when the C-4 report is generated, all deposits made during the reporting period will appear in Part 1 of Schedule A and the total deposited will appear on Line 2:

<h2 style="margin: 0;">CASH RECEIPTS AND EXPENDITURE</h2>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> SCHEDULE to C4 </div> <div style="display: inline-block; vertical-align: middle; margin-left: 10px;"> <b style="font-size: 2em;">A <small>(1199)</small> </div>																										
Candidate or Committee Name (Do not abbreviate. Use full name.) JOHN JONES (Jones for Coroner)	Report Date 02/01/2012 02/29/2012																										
1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.																											
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Date of deposit</th> <th style="width: 15%;">Amount</th> <th style="width: 20%;">Date of deposit</th> <th style="width: 15%;">Amount</th> <th style="width: 20%;">Date of deposit</th> <th style="width: 15%;">Amount</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>02/16/2012</td> <td>\$900.00</td> <td>02/22/2012</td> <td>\$1,225.00</td> <td></td> <td></td> <td rowspan="3" style="text-align: center; vertical-align: middle; font-size: 1.5em;">\$</td> </tr> <tr> <td>02/12/2012</td> <td>\$4,000.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>02/16/2012</td> <td>\$2,300.00</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount		02/16/2012	\$900.00	02/22/2012	\$1,225.00			\$	02/12/2012	\$4,000.00					02/16/2012	\$2,300.00					\$
Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount																						
02/16/2012	\$900.00	02/22/2012	\$1,225.00			\$																					
02/12/2012	\$4,000.00																										
02/16/2012	\$2,300.00																										
2. TOTAL CASH RECEIPTS						\$																					
						Enter also on line 2 of C4 \$8,425.00																					

Special Reports for Contributions of \$1,000 of More

During the seven days before the primary and the 21 days before the general election, candidates must file special reports of contributions they receive during that 7- or 21-day period from one source that is \$1,000 or more in the aggregate, whether cash or in-kind or a combination of the two. For example, if a candidate receives \$1,800 from one contributor during the 7 days before the primary or the 21 days before the general, whether the amount came in one lump sum or two or more payments, a special report must be filed.

The special report discloses:

- the amount of the contribution(s);
- the date or dates received;
- the name and address of the donor; and
- the receiving campaign's name and address.

Candidates receiving one or more contributions from a single source totaling \$1,000 or more must deliver a written report to PDC within 48 hours of receiving the contribution, or the first working day thereafter if the 48th hour is a

weekend or holiday. (All lobbyists, lobbyist employers, and political committees -- including PACs, parties and caucus committees -- that give contributions totaling \$1,000 or more are required to send the recipient and PDC a special report of the contribution within 24 hours. However, a candidate who receives \$1,000 or more from one source during the 7 days before the primary or 21 days before the general election must deliver its report to PDC within 48 hours even if the donor fails to report in a timely manner.)

These written reports may be delivered to PDC in person or via electronic filing (C-3 report), e-mail, facsimile, telegram, mailgram or overnight delivery. **You may fax this special report (but not regular C-3 or C-4 reports) to PDC at (360) 753-1112.** Be sure to keep the transmission confirmation sheet as part of your records.

If a written report cannot be delivered within 48 hours, call PDC and relay the information within that time frame and mail written confirmation of the telephone report the same day. When you call PDC, you'll be given a log number to verify that you called. Reference that log number on the mailed report.

The PDC has not adopted an official form for reporting these last minute contributions. Simply supply the necessary information on a sheet of paper, or within the text of an e-mail or telegram. Electronic filers should file a C-3 report within 48 hours of receiving the contribution. An unofficial form has been developed by PDC staff for those intending to fax these reports. It's available on request or on the PDC web page at www.pdc.wa.gov under Filer Assistance.

(Note: In addition to the special notice requirement, these large, last-minute contributions also are treated like all other contributions: monetary donations are deposited within five business days and included on the C-3 report reflecting the deposit; in-kind contributions are disclosed on Schedule B to the C-4.)

In-Kind Contributions [Schedule B, Part 1 (C-4)]

Monetary contributions are not the only things of value received by campaigns. Frequently, contributors will donate goods and services in lieu of or in addition to making monetary donations. Generally, in-kind contributions are both reportable on your disclosure reports and also count against the contributor's limit to your campaign.

Incidental in-kind contributions -- those in-kind donations that either singly or in conjunction with other in-kinds from the same contributor do not exceed \$25 in value during the election cycle -- do not need to be reported or added into the contributor's contribution total. This means that someone could allow the campaign to use his or her conference room occasionally or make a couple of local calls on the contributor's telephone without incurring a reportable contribution. Obviously, since little things have a way of adding up, if someone frequently provides the campaign with small items or services, a record had best be kept so that it will be apparent if the \$25 threshold is reached.

The first \$50 in the aggregate a volunteer spends out-of-pocket on the campaign is not an in-kind contribution. Once a volunteer spends more than \$50 out-of-pocket, report all of that volunteer's expenditures as in-kind contributions. Subsequent expenditures by the volunteer must be disclosed on future reports as additional contributions.

If someone who is not a volunteer purchases something for the campaign and spends more than \$25, the campaign will report the expenditure as an in-kind contribution.

Another example of an incidental in-kind contribution that is not reportable is when an association merely relays to its members a request for contributions from a candidate or political committee. The association could not, however, collect contributions from any source -- including its members -- and pass those contributions along to the intended recipient. Also, if an association does more than relay a request for a contribution, or put a candidate in touch with a potential contributor, the association will be seen as exercising direction or control over the ensuing contribution and its value will be fully attributed to the association as well as the person supplying the contribution.

For candidates subject to contribution limits, an in-kind contribution counts against the donor's contribution limit.

A candidate subject to contribution limits may not accept a general election in-kind contribution before the primary election.

Associations and other entities may arrange to have their members provide volunteer services to a candidate or political committee without an in-kind contribution occurring so long as the coordination involved in this activity only results in incidental expenditures to the association as discussed above.

See page 24 for a discussion on other activities that are not contributions. Common examples of in-kind contributions that are reportable include donated office space, free or reduced cost printing or polling services, training of campaign workers or managers or help with preparing political advertising at no cost to the campaign or at less than fair market value. **Remember, whenever the candidate or campaign receives an item or service that meets the definition**

of contribution and is not incidental (as discussed above), and the campaign does not pay full value for the item or service, a reportable in-kind contribution has been received.

As discussed under "Volunteer Services," the personal services of campaign volunteers who perform common volunteer functions are not reportable as in-kind contributions so long as the volunteers are not paid by anyone for the campaign work they do. However, if an individual assists the campaign while on the company payroll or if he or she is otherwise compensated by his or her employer for the campaign work performed, that person's employer is making an in-kind contribution to the campaign. The same would be true if a union or some other person or entity were paying an individual for the time or the services rendered to a campaign. The source of the payment would be making an in-kind contribution to the campaign.

A candidate's time spent on his or her own campaign is not reported as a contribution unless an employer gives a candidate time off with pay to campaign, or some other person compensates the candidate for the time spent on the campaign. If this happens, the employer (or source of the compensation) is making a reportable in-kind contribution. However, an employer does not make a contribution if an employee who happens to be a candidate or campaign staff member takes earned, paid leave time to campaign.

In-kind donations that are not incidental must be fully reported in Part 1 of Schedule B to the C-4 with the following details:

- the date the contribution was received;
- the name and full address of the contributor;
- a brief description of the contribution;
- its fair market value;
- the cumulative total this contributor has given for the primary or general election, whichever applies;
- a designation whether this contribution is for the primary or general election; and
- if the contributor is an individual who has cumulatively given more than \$100 to the campaign, including both primary and general contributions, identify the individual's employer (by name, city and state) and occupation.

Valuing In-Kind Contributions

The value of an in-kind contribution is determined by the circumstances involved. For example, if a contributor

- buys supplies or equipment for the campaign, the in-kind contribution equals the amount spent on the purchase;
- takes out an advertisement supporting a candidate (after collaborating with or receiving approval from the candidate or the candidate's campaign or agent), the in-kind contribution equals the cost of the ad;
- loans your campaign the use of a computer or copier, the in-kind equals the cost of leasing a similar piece of equipment for the period of time in question;
- prints campaign literature at a cost below the printer's normal charge for a similar job, the in-kind equals the amount of the discount;
- provides food or beverages for a campaign event, the in-kind contribution equals the amount spent on the items provided or, in the case of a business that already has the items on hand, the amount that business would normally expect to receive from the sale of the items.

The overriding principle governing the value of an in-kind contribution is "the amount a well-informed buyer or lessee, willing but not obligated to buy or lease, would pay; and the amount a well-informed seller, or lessor, willing but not obligated to sell or lease, would accept."

Generally, this means the amount the contributor would ordinarily expect to receive if someone were paying him or her to provide the item or service. For example, if a candidate is given materials by a local retail hardware store for the construction of yard signs, an in-kind contribution has been made equal to the normal retail selling price of the materials. However, if the business donating the materials is a wholesale supplier, the in-kind contribution is equal to the amount this wholesaler charges its customers for the materials.

Entering In-Kind Contributions in the ORCA Software

File Accounts Transactions Reports Help

Contributions ▸ Monetary Contribution
 Loans ▸ Monetary Group Contribution
 Pledge ▸ In-Kind Contribution
 Fundraisers ▸ Candidate's Personal Funds
 Miscellaneous Receipts ▸ Anonymous Contribution

Expenditures ▸
 Debt ▸
 Bookkeeping Adjustments ▸
 Make a Deposit

Contributor Name
 AAA PRINT SHOP

Contribution Account
 4100 - In-Kind Contributions

Expenditure Account
 5200 - Printing

Fair Market Value Date Election
 \$350.00 02/20/2012 Primary

Description
 discounted printing (letterhead & envelopes)

Memo (optional) ☐ Always Itemize

1 of 1

(After the contributor's name is entered, another screen will appear in which the contributor's address and occupation/employer information must be entered if it was not previously entered.)

In-kind contributions appear on the C-4 report, Schedule B, section 1:

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS				SCHEDULE TO C4		B (11/93)			
Candidate or Committee Name (Do not abbreviate. Use full name.)							Report Date		
JOHN JONES (Jones for Coroner)							02/01/2012 02/29/2012		
1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)									
Date Received	Contributor's Name and Address		Description of Contribution	Fair Market Value	Aggregate Total	P R I	G E N	If total over \$100. Employer Name, City, State & Occup	
02/20/2012	AAA PRINT SHOP 30 Main Street Anyplace WA 98000		discounted printing (letterhead & envelopes)	\$350.00	\$350.00	X			
02/25/2012	BONA FIDE PARTY COMMITTEE P O BOX 1080 Anyplace WA 98000		postage/bulk mail permit for 10,000	\$1,800.00	\$1,800.00	X			

In-Kind Loans

When a candidate spends personal funds on the campaign, wants to be reimbursed, and is still waiting to be repaid 21 days after the out-of-pocket expenditure was made, the candidate's expenditure becomes an in-kind loan. An in-kind loan counts against the candidate's loan repayment limit. Entering an in-kind loan in the ORCA software is similar to entering a monetary loan except that a description of the purchase is included.

Entering In-Kind Loans in the ORCA Software

The screenshot displays the ORCA Software interface for entering an in-kind loan. On the left, a sidebar menu shows 'Transactions' with 'Loans' selected, leading to 'In-Kind Loan'. The main form area contains the following fields:

- Lender Name: JOHN A JONES
- Expenditure Account: 5220 - Rent
- Loan Amount: \$800.00
- Date Received: 02/29/2012
- Election: Primary
- Interest Rate: (empty)
- Due Date: 12/31/2012
- Description: campaign hdqtrs rent
- Repayment Schedule: As funds become available
- ☐ Carry Forward Loans
- Memo (optional): (empty)

On the right, there is a 'Payments' table with columns 'Amount', 'Date', and 'Account'. Below the table is a 'Loan Balance' field.

See page 49 for instructions on entering loan payments in the ORCA software.

Earmarked Contributions

Sometimes contributors give money to political parties or other committees for spending on behalf of one or more candidates or committees. These types of donations are known as earmarked contributions. Earmarked contributions may not simply be passed along to the benefiting candidate; they must be spent by the committee to whom they were sent -- at least for the most part -- for the benefit of the intended recipient.

In the case of earmarked contributions, the "original contributor" is the person making the earmarked contribution. The "conduit" is the committee that is provided the funds by the original contributor for spending on behalf of a candidate or another committee. The "beneficiary" or "benefiting candidate" is the candidate or committee who ultimately benefits from the funds spent by the conduit.

An "earmarked contribution" is any contribution given to an intermediary or conduit -- either a political party, another type of political committee, a candidate or a third party -- with a designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, which is intended to result in or which does result in all or any part of the contribution being made to or for the promotion of a certain candidate, state official or ballot proposition.

An earmarked contribution counts against the original contributor's limit for the benefiting candidate. If the entire earmarked contribution is not spent by the intermediary or conduit for the benefit of the designated recipient, the remainder must be transferred to the recipient unless it is re-designated by the original contributor to another recipient. If the remainder is used to benefit another candidate or committee and the intermediary or conduit directed or had any control over the selection of this recipient, the amount of the remainder is a contribution from both the original contributor and the conduit.

Receipt of an earmarked contribution must be reported by the intermediary or conduit to both PDC and the benefiting candidate or committee within two days using form Special Report E.

If an earmarked contribution is refused by the benefiting candidate or committee, the earmarked contribution must be returned by the intermediary or conduit to the original contributor within five business days of the date the intermediary or conduit is notified of the refusal.

Benefiting candidates and committees will report earmarked contributions as follows:

On the first C-4 report due after receiving notice that an earmarked contribution has been received by the intermediary/conduit, report in Part 1 of Schedule B:

- the date you received notice of the earmarked contribution;
- the original contributor's name and address;
- the intermediary's name and address;
- the full amount received by the intermediary or conduit as an in-kind contribution;
- the aggregate contributed by the original contributor for the campaign; and
- the election for which the contribution was made.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr. (Jones for Coroner)

Report Date

3/6/XX

1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)

Date Received	Contributor's Name and Address	Description of Contribution	Fair Market Value	Aggregate Total	P R I	G E N	If more than \$100, Employer Name, City, State & Occup.
3/5/XX	Superior Roofing Service PO Box 88 Anyplace, WA	Cash donation Earmarked thru Independent Party	\$250	\$300	x		
							Occupation

On the first C-4 report filed after being notified by the intermediary/conduit that the actual amount spent was different from the amount originally reported as an in-kind contribution, file a Schedule C detailing the correction. If less was spent than originally reported, explain the correction and reduce the amount of the in-kind contribution in Parts 1 and 2 of Schedule C and on Lines 6 and 15 of the C-4. The correction must be included in both Parts 1 and 2 because an in-kind contribution is both a contribution and an expenditure.

If more was spent, show the amount of the increase and state what source(s) supplied the additional funds in Part 1 of Schedule C. Also include the correction amount in Part 2 and put the amount of the increase on Lines 6 and 15 of the C-4. (Note: The explanation may be an attachment and may consist of the notice received from the intermediary/conduit.)

Intermediaries or conduits will report earmarked contributions as follows:

Complete Special Report E and mail the original version of the report to PDC and a copy to the beneficiary within two days of receiving the earmarked contribution.

Notify the beneficiary of the actual amount spent as soon as practicable, hopefully no later than the end of month in which the election is held. If more funds than the amount donated by the original contributor were spent, be sure to inform the beneficiary of the source and amount of the additional dollars.

With the first C-4 report filed subsequent to the general election, file a recapitulation of earmarked funds received. For each earmarked contribution, include:

- the date it was received by the intermediary or conduit,
- the beneficiary's name,
- the total amount of the contribution, and
- the amount expended on behalf of the beneficiary.

Pledges [Schedule B, Part 2 (C-4)]

A pledge is a promise of a future monetary or in-kind contribution. Pledges of \$100 or more are reportable in Part 2 of Schedule B. A pledge may be written or oral and for cash or in-kind contributions. Pledges are built into a contributor's aggregate contribution total. Pledges must be made for a specific amount, with every intention of the giver to pay the stated amount in its entirety, and that amount, when combined with other contributions from that contributor, may not exceed the contributor's limit.

Candidates subject to contribution limits must redeem primary election pledges on or before the day of the primary election. The only exception is for a candidate who loses the primary election and has debt to retire – these candidates can redeem a primary election pledge up to 30 days after the of the primary election so long as there is debt to retire.

A pledge made with respect to the general election may not be made or redeemed after December 31 of that election year. As is discussed on page 6, **pledges and the payment of any pledges are subject to the 21-day pre-general election restriction.**

A line of credit constitutes a pledge of a loan. Report the total amount of the line of credit as a pledge. As funds are drawn or the credit is used, report the amount as a loan on the C-3 and Part 1 of the Schedule L. Reduce the outstanding pledge by the same amount. Payments to the lender (person who extended the credit) are reported as loan repayments on Schedule A and Schedule L, Part 2.

Entering Pledges in the ORCA Software

Until redeemed or cancelled, the pledge will appear on the C-4 report, Schedule B, section 2.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS				SCHEDULE TO C4		B (11/93)	
Candidate or Committee Name (Do not abbreviate. Use full name.)						Report Date	
JOHN JONES (Jones for Coroner)						02/01/2012 02/29/2012	
2. PLEDGES RECEIVED BUT NOT YET PAID. List each pledge of more than \$100.00.							
Date Notified of Pledge	Name and Address of Pledge Maker	Fair Market Value	Aggregate Total	P R I	G E N	If total over \$100, Employer Name, City, State, Occup.	
02/28/2012	JANICE SMITH 1819 S PINE ST TACOMA WA 98405	\$150.00	\$150.00	X		PHYSICIAN GROUP HEALTH COOPERATIVE TACOMA WA	

In addition to looking at the reports before filing them, PDC staff recommends that the candidate and/or treasurer regularly review the campaigns' filed reports posted on the PDC's [website](#).

Expenditures and Debts

The law also requires all campaign expenditures and debts to be reported. The information in this section will assist you in meeting this obligation.

Definition

The term "expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value. It includes a contract, promise or agreement, whether or not legally enforceable, to make an expenditure.

The term "expenditure" also includes a promise to pay, a payment or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. Agreements to make expenditures, contracts, and promises to pay are reported as estimated obligations until actual payment is made.

Deductions of bank service charges are shown as expenditures in order that the campaign books match the checking account balance.

Loan repayments are shown as expenditures even though they are actually reductions in the amount contributed by the person making the campaign loan. These payments are reported in Part 2 of Schedule L. The amount of the principal being repaid also goes on lines 5 and 14 of the C-4 report, and the full amount of the payment (principal plus interest) appears on Schedule A. See instructions for entering loan payments in the ORCA software on page 49.

Permissible Expenditures

Campaign funds may only be used for expenditures that are directly related to the candidate's campaign.

Although by no means a complete list of allowable campaign expenses, the following will give you some idea of what types of expenses are permitted:

- Campaign employees and consultants;
- Campaign headquarters, office equipment and supplies;
- Campaign fund raising activities (including candidate's portion of joint fund raising expenditures shared with other candidates);
- Filing fees paid when candidate files Declaration of Candidacy;
- Political advertising expenses (including advertising that immediately follows an election thanking contributors and voters for their support);
- lists of voters in the candidate's district;
- lists of potential contributors;
- polling and voter ID expenses;
- payments to accountants, bookkeepers, lawyers, computer consultants and the like for assistance in complying with PDC and election laws (note that this type of assistance may be provided free to the campaign without a contribution ensuing, see Volunteer Services section on page 25); and
- any other expense that is directly related to the candidate's election campaign.

Further, although the law prohibits using campaign funds to make a contribution to another candidate or political committee (other than using surplus funds to give to a political party or caucus committee), it is OK for a candidate to use his or her campaign money to attend an event held by another candidate, a political party or committee so long as attending the event is directly related to the candidate's own campaign and the candidate's campaign only pays the per-person cost of consumables provided at the event. That is, the candidate uses his or her campaign money only to pay for his or her share of the actual cost of food, beverages, preparation, catering and entertainment furnished at the event. If the candidate wishes to pay the full admission charge, he or she must use his/her own personal funds to do so.

Remember that any expenditure of \$50 or more in currency (actual cash dollars) may only be made if a written receipt signed by the vendor (or the recipient of the money) and the treasurer or candidate is made part of your committee's records.

Also keep in mind that expenditures may only be made, incurred or authorized by the candidate or the campaign treasurer.

Every expenditure should be disclosed on the Schedule A, except for:

1. A check cut to establish or replenish petty cash funds, because petty cash expenses are reported as they occur (see page 47 for instructions on establishing a petty cash fund in the ORCA software);
2. An expenditure that pays for campaign fund raiser consumables if the campaign is accounting for the cost of these consumables by reducing the amount of contributions reported (see page 62 for information about deducting the cost of consumables); and
3. expenditures for joint fund raising activity as described on page 63.

Entering Expenditures in the ORCA Software

All expenditures are uniformly entered in the ORCA software. When the C-4 report is generated/filed, small expenditures of \$50 or less will not be itemized unless the *Always Itemize* box is checked in the ORCA software. State law does not require an expenditure to be itemized unless it is more than \$50. If the *Always Itemize* box is not checked, the small expenditures will be lumped together and appear on a single line of the C-4 report.

click "+" to enter items or services purchased

The screenshot shows the top menu bar of the ORCA software with 'File', 'Accounts', 'Transactions', 'Reports', and 'Help'. The 'Transactions' dropdown menu is open, showing options: 'Contributions', 'Loans', 'Pledge', 'Fundraisers', 'Miscellaneous Receipts', 'Expenditures', 'Debt', 'Bookkeeping Adjustments', and 'Make a Deposit'. The 'Expenditures' option is highlighted, and a sub-menu is visible with 'Monetary Expenditures' and 'Refund Contribution'.

The screenshot shows the 'Expenses' window in the ORCA software. The 'Vendor Name' is 'CHOICE MARKET' and the 'Bank Account' is '1000 - Bank Accounts'. The 'Date' is '02/14/2012'. The 'Always Itemize' checkbox is checked. The 'Expense Items' dialog box is open, showing a 'New!' message and instructions: 'Just type the expenditure account number or name to select the account. Backspace to restart the search.' The 'Expenditure Account' is '6000 - Food and Beverages', the 'Amount' is '\$12.00', and the 'Description' is 'volunteers' beverages & snacks'. The 'Memo (optional)' field is empty. The 'OK' and 'Cancel' buttons are at the bottom.

Coding Expenditures

In an effort to streamline reporting before the advent of electronic filing, the PDC developed expenditure codes that were used to describe campaign expenses on the Schedule A. Treasurers would save themselves time by using the codes rather than entering full descriptions for expenditures. These codes are programmed into the PDC's ORCA software and users will enter a brief description for each expenditure.

Expenditures Needing Fuller Explanations

These types of expenditures require that special information be supplied:

Campaign Consultants, Advertising Agencies: Before campaigns E-filed reports, they were required to supply copies of invoices to support payments to consultants and other vendors made payments to other vendors on behalf of the campaign. Today, E-filers supply a breakdown of each expense incurred by the consultant along with the payment made directly to the consultant. The following example shows an expenditure made to a consultant who designed a campaign flyer and then subcontracted with a printer and mailhouse to copy and mail the flyer. The \$14,305 paid to the consultant includes a design fee of \$2,025, printing cost of \$1,780, and postage totaling \$10,500. It is not acceptable to report a single expenditure of \$14,305 to the consultant. Each sub-vendor must be entered along with a description of the work performed. The ORCA software entry would look like this:

[illegible]

The resulting report should look like this:

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	\$12.00
02/20/2012	AAA CAMPAIGN CONSULTANT 1516 BARGE ST FIFE WA 98424		mailer design	\$2,025.00
02/20/2012	AAA CAMPAIGN CONSULTANT 1516 BARGE ST FIFE WA 98424		XYZ Print Co - 35,000 pieces	\$1,780.00
02/20/2012	AAA CAMPAIGN CONSULTANT 1516 BARGE ST FIFE WA 98424		My Mailhouse/35,000 pieces	\$10,500.00

Media Buys: Expenditures for media buys must be broken down by date, amount paid, run dates of the ad, and each media outlet (newspaper, radio or TV station, billboard company, etc.). Follow the example above to report media buys made through an agent/broker.

Credit Cards: When reporting payments to credit card companies, disclose each charge that is being paid by the campaign. Each charge should be entered as a separate expense – show the date, vendor, purpose and amount of each expense.

Reimbursements: When reimbursing the candidate or another campaign worker for out-of-pocket campaign expenses, you list each expense being reimbursed by showing the vendor's name and address, what was paid for, and amount paid.

Travel: When reporting direct payments to vendors for campaign-related travel expenses incurred by the candidate or a campaign worker, report the date of payment, the vendor's identity, the traveler's name in the *description* field, and the amount spent. The ORCA entry should look like this:

[illegible]

Replacement of Job Earnings: When reporting payments to the candidate or another campaign staff member to offset salaries or wages lost as a result of campaigning, include a description that explains how the amount paid was calculated.

Surplus Funds: When reporting a transfer of surplus campaign funds to a bona fide political party, a caucus political committee, or your own surplus funds account, use ORCA's expenditure account 5150 – *miscellaneous*, enter the amount and type *surplus transfer* in the description field.

Petty Cash Fund

Every penny the campaign receives must be deposited into the bank account. The campaign may establish a petty cash fund that will be used for small campaign purchases (either direct purchases or to reimburse the candidate or campaign workers for their out-of-pocket expenditures) by withdrawing funds from the account or cashing a campaign check. Be sure to keep the bank receipt with the campaign records when withdrawing funds. The amount transferred to the petty cash account is not reported as an expenditure..

Establishing a Petty Cash Fund in the ORCA Software

File
Accounts
Transactions
Reports
Help

Contributions
Loans
Pledge
Fundraisers
Miscellaneous Receipts
Expenditures
Debt
Bookkeeping Adjustments
Make a Deposit

Adjustments to Transactions
Math Error Adjustments
Account Adjustments

From Account
1000 - Bank Accounts

Amt. to Move
\$350.00


Date
02/18/2012

To Account
1800 - Petty Cash

Memo (optional)

1 of 1

Expenditures using petty cash are entered in the ORCA software just like expenditures from the campaign's bank account, except that Petty Cash Account #1800 is used:



- Sub Obligation
- Debt Payment**
- Debt Adjustment
- Debt Forgiven

Choose the correct option and complete the fields. The Debt Activity screen is the only place where debt payments are entered – do not enter them as monetary expenditures. Until paid or forgiven, debts will appear on the C-4 report, Schedule B, section 3.


IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS		SCHEDULE TO C4		B (11/93)	
Candidate or Committee Name (Do not abbreviate. Use full name.)			Report Date		
JOHN JONES JR (Jones for Coroner)			02/01/2012 02/29/2012		
3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)					
Expenditure Date	Vendor's/Recipient's Name and Address	Amount Owed	Code	OR	Description of Obligation
02/09/2012	SUCCESS AGENCY 9 SUCCESS BLVD UNIVERSITY PLACE WA, 98466	\$3,000.00			victory bonus

Loans [Schedule L, Parts 2, 3 & 4 (C-4)]

Each time a loan is received, Part 1 of Schedule L is completed and the schedule is attached to the C-3 showing the loan's deposit.

The Schedule L is also filed with each C-4 report as long as any campaign loans remain outstanding or there is any loan repayment or forgiveness activity to report. Loan payments are disclosed in Part 2 of the Schedule L. Any loan forgiveness that occurred during the C-4 reporting period is disclosed in Part 3 of the Schedule L. An outstanding loan balance is shown in Part 4 of the the Schedule L.

Entering Loan Payments in the ORCA Software

Loan payments are not entered as expenditures in the ORCA software. Instead, return to the screen where the loan was originally entered and click the  to enter a payment.

The resulting report is shown on the next page.

Lender Name
JOHN A JONES

Loan Amount \$4,000.00 **Date Received** 02/10/2012 **Election** Primary

Interest Rate **Due Date** 12/31/2012 **Check No. (optional)**

Repayment Schedule
As funds become available

☐ Carry Forward Loans

Memo (optional)

1 of 1

Payments **Forgiven** **Endorsers**

Amount	Date	Account

Loan Payments

Make a payment to loan

Bank Account
1000 - Bank Accounts

Principal Paid \$300.00 **Date Paid** 04/15/2012 **Check No. (optional)**


Interest Paid

Memo (optional)

1 of 1

LOANS		SCHEDULE TO C3 OR C4		L (12/99)	Page <u>1</u>
Candidate or Committee Name JOHN JONES (Jones for Coroner)				Report Date 04/01/2012 04/30/2012	
2. LOAN PAYMENTS. Candidates may be repaid no more than amount loaned or permitted by WAC 390-05-400, whichever is less. See instruction manual.					
Date Paid	Lender's Name and Address	Principal Paid	Interest Paid	Total Payment	Balance Owed
04/15/2012	JOHN JONES JR 123 Miller Way Anyplace WA 98000-0000	\$300.00	\$0.00	\$300.00	\$3,700.00

Forgiving Loans in the ORCA Software

Occasionally, a lender will decide that the campaign doesn't have to repay a loan (particularly if it's the candidate who made the loan). Recording loan forgiveness in the ORCA software is very similar to entering a payment. Follow the instructions above, but click the *Forgiven* tab before clicking the .

Loans Still Owed

Outstanding loan balances will automatically appear on the campaign reports provided the loan receipt, payments, and forgiveness are corrected entered in the ORCA software.

Corrections

Before campaigns were E-filing reports, a Schedule C to the C-4 report was used to adjust the C-4 totals. The adjustments typically resulted from mathematical errors, recording errors, receipt of a non-sufficient funds contribution check, or a vendor refunding a payment.

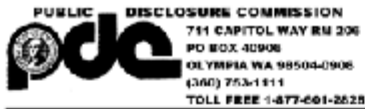
E-filers will occasionally need to adjust C-4 totals, but it's no longer done by completing a Schedule C. If you discover that an amount was entered incorrectly, return to the entry and correct the number. Refile/amend the report along with the corresponding C-4 reports and all subsequent C-4 reports that have been filed. In the event the bank notifies the campaign that a contribution check will not be honored and the contributor does not replace it, go back to the original entry and change it to "0" and then refile/amend the C-3 and C-4 reports. (It is not necessary to amend reports when the contributor replaces the contribution. Instead, create a record of what happened to keep with the campaign records.)

What to do when you receive a Vendor Refund is explained at the top of page 36.

The C-4 Report

At the end of C-4 reporting period, make sure that all deposits and expenditures made during the reporting period have been entered. The ORCA software will compile the entries into the C-4 report. View the report before filing it to make sure it is accurate. Reconcile the "cash on hand" (line 18) to the campaign's bank account. Transaction dates determine on which C-4 report items appear. Return to the transaction and check the date if an entry is not showing up on the appropriate C-4 report. Assuming there are no funds in a separate investment account, Line 18 should equal the sum of the check balance and the petty cash balance as of the last day covered by the report. If line 18 does not agree with the checkbook balance once it's combined with petty cash on hand, verify that all C-3 reports for the period were included in Part 1 of Schedule A, make sure each expenditure was included in Part 3 of Schedule A, and double check your arithmetic. If this doesn't work and you're off by a significant amount, you may be in for a time-consuming review of every entry made since the last reconciliation. Call and speak with a PDC political finance specialist about your difficulties.

The C-4 report shown on the next page is a compilation of most of the examples scattered throughout this manual.



CAMPAIGN SUMMARY RECEIPTS & EXPENDITURES

C4

(102)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name):
JOHN JONES (Jones for Coroner)Mailing Address:
123 Miller WayCity:
Anyplace

Zip + 4 98000-0000	Office Sought (Candidates) COUNTY CORONER	Election Date 2012
Report Period Covered 02/01/2012	From (last C-4) 02/29/2012	To (end of period) 02/29/2012
Final Report? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

*For PACs, Parties & Caucus Committees: During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

*See reverse Yes ☐ No ☒**RECEIPTS**

1. Previous total cash and in kind contributions (From line 8, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet). \$ **\$15,000.00**
2. Cash received (From line 2, Schedule A) \$ **\$8,425.00**
3. In kind contributions received (From line 1, Schedule B) **\$2,950.00**
4. Total cash and in kind contributions received this period (Line 2 plus 3) **\$11,375.00**
5. Loan principal repayments made (From line 2, Schedule L) **-\$0.00**
6. Corrections (From line 1 or 3, Schedule C) Show + or (-) **\$0.00**
7. Net adjustments this period (Combine line 5 & 6) Show + or (-) **\$0.00**
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) **\$26,375.00**
9. Total pledge payments due (From line 2, Schedule B) **\$150.00**

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet). \$ **\$0.00**
11. Total cash expenditures (From line 4, Schedule A) **\$14,767.00**
12. In kind expenditures (goods & services) (From line 1, Schedule B) **\$2,950.00**
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) **\$17,717.00**
14. Loan principal repayments made (From line 2, Schedule L) **-\$0.00**
15. Corrections (From line 2 or 3, Schedule C) Show + or (-) **\$0.00**
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-) **\$0.00**
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) **\$17,717.00**

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:
(253) 555-1212**CASH SUMMARY**

18. Cash on hand (Line 8 minus line 17) **\$8,658.00**
(line 18 should equal your bank account balance(s) plus your petty cash balance)
19. Liabilities: (Sum of loans and debts owed) **\$7,800.00**
20. Balance (Surplus or deficit) (Line 18 minus line 19) **\$858.00**

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

SEE INSTRUCTIONS ON REVERSE

C-4 Due Dates

Candidates must file C-4 reports, including all schedules necessary to report financial activity for the period, according to the following schedule:

- With the C-1 registration statement, if contributions were received or expenditures made prior to registering as a candidate;
- The 10th of each month (covering the preceding calendar month or the period since the last C-4 report was filed) when there is over \$200 in contributions received or expenditures made;
- 21 and 7 days before the primary election*;
- September 10 (post primary);*
- 21 and 7 days before the general election**;
- December 10; and
- January 10 (beginning in February, candidates who do not file final reports on January 10 will revert to the 10th-of-the-month reports when they have over \$200 in contributions or expenditures).

*Candidates whose names are NOT on the primary ballot or who are not running as a write-in candidate with respect to the primary election do not file these pre-primary reports; rather they continue filing monthly reports for June, July, and August – these reports are due on the 10th of the following month.

**Candidates who lose in the primary election and who are not running as a write-in candidate in the general election, do not file these pre-general reports. If the September 10 report is not the final report, continue to file 10th-of-the-month reports.

Reporting Period Close-Out Dates

Each financial transaction that occurs during a reporting period must be included on the C-4 report covering that period. Shown below are the C-4 due dates and the **earliest** time when books may be closed for that particular report.

With C-1 report (if pre-registration contributions were received or expenditures made); close books same day as report filed; include all activity to date.

10th-of-the-month reports (required if no 21-day or 7-day pre-election reports are due that month and contributions or expenditures exceeded \$200 since last C-4); close books as of last day of preceding month; include all activity since last C-4.

21-day pre-election report; close books no more than one business days before report due date; include all activity since last C-4.

7-day pre-election report; close books no more than one day before report due date; include all activity since last C-4.

Post-election 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.

End of election cycle 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.*

After the Election

Post-Election Reports

When filing the final report, indicate this fact in the space provided near the top of the C-4 report.

Candidates Who Lose the Primary Election

The C-4 report filed on September 10 is the final report if the campaign is done – meaning there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the campaign has been dissolved.

If the campaign does not or cannot file a final report on September 10, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month (covering the previous calendar month, or the period since the last report) whenever expenditures made total \$200 or more since the last C-4 report was filed. A final C-4 report is filed when all obligations are settled.

Candidates who are not subject to contribution limits may continue to fund raise until they no longer have campaign debt.

Donors may make primary election contributions to candidates subject to contribution limits up to 30 days after the date of the primary if the candidate loses in the primary and does not have enough money to pay primary debts. These contributions count against the contributor's overall primary limit. **(Therefore, be aware that if you lose in the primary, you will only have an additional 30 days to solicit contributions to satisfy primary debt. Contributions received in excess of the sum needed to satisfy outstanding primary debts must be returned to the original contributors.)**

If the candidate has debts or loans outstanding after the 30 day post primary timeframe (but insufficient campaign funds to cover these obligations), there are only three options available for raising money.

- 1) The candidate may contribute personal funds to his or her campaign and use these funds to pay off the debts and loans. (These contributions are also reported on C-3 reports.)
- 2) The candidate could receive contributions from a bona fide political party or caucus political committee so long as the contributions are made by December 31 of that election year. These contributions count against the contributor's overall limit. (The contributions are also reported on C-3 reports.)
- 3) The candidate decides to seek another public office and files a C-1 registration statement with PDC to that effect. A final C-4 report for the campaign just concluded is filed. A beginning C-4 report for the new campaign is also filed, showing the debt being carried forward to this new campaign. It is conceivable that there could be a cash surplus that is also carried forward; but, it is more likely that all cash remaining from the earlier campaign has been used to reduce the amount of the debt left from that campaign. (In order to use this debt payment method, the person must be a legitimate candidate in the new election, and not simply re-registering as a candidate in order to collect money to pay off the old debts or loans. All contributions received count against the contributor's limit (if any) for the new campaign, even if they are spent on debts or loans from the previous campaign.)

If there is a surplus after the election, you may

- 1) dispose of the surplus in one or more of the other ways allowed by law (see page 9) and file a final C-4 report for the campaign;
- 2) move the money into a Surplus Funds Account and file a final C-4 report for the campaign;
- 3) let the funds lie dormant in the campaign account, but before receiving any contributions for a new campaign or making any expenditures for a new campaign, file a final report for the old campaign, file a new C-1 registration for the new campaign, and file a C-4 for the new campaign showing the surplus being carried forward. (See page 56 for an explanation of how to carry forward funds to the new campaign.)

Candidates in the General Election

The C-4 report filed on January 14, 2013 is the final report if the campaign is concluded, there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the campaign has been dissolved.

If the campaign does not or cannot file a final report the first January after the general election, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month (covering the previous calendar month, or the period since the last report) whenever expenditures made total \$200 or more since the last C-4 report was filed. If you have a campaign surplus, but make no new expenditures, no C-4 reports are required until campaign financial activity resumes. See Start-up of New Campaign section on page 56.

Candidates without contribution limits may continue to fund raise until they no longer have debt.

Candidates subject to contribution limits may continue to accept general election contributions through December 31 regardless of whether there is debt to retire. A candidate subject to limits *with* debt after the election has three options.

- 1) Through December 31 of the election year, contributors who have not given the maximum amount allowed may make contributions, so long as any post-election contributions when combined with those given earlier in the campaign do not exceed their limit. For most contributors that limit is \$900 for the general election. For the state committee of a bona fide political party and a caucus political committee, the limit is \$.90 times the number of registered voters in the jurisdiction. Party county central committees and the legislative district committee in the candidate's jurisdiction share a combined limit of \$.45 times the number of registered voters. (These contributions are also reported on a C-3.)
- 2) The candidate may contribute personal funds to his or her campaign and use these funds to pay off the debts and loans. (These contributions are also reported on a C-3 report.)
- 3) The candidate decides to seek another public office and files a C-1 registration statement with PDC to that effect. A final C-4 report for the campaign just concluded is filed. A beginning C-4 report for the new campaign is also filed, showing the debt being carried forward to this new campaign. It is conceivable that there could be a cash surplus that is also carried forward; but, it is more likely that all cash remaining from the earlier campaign has been used to reduce the amount of the debt left from that campaign. (In order to use this debt payment method, the person must be a legitimate candidate in the new election, and not simply re-registering as a candidate in order to collect money to pay off the old debts or loans. All contributions received count against the contributor's limit (if any) for the new campaign, even if they are spent on debts or loans from the previous campaign.)

Because of the way the law is worded, after December 31 of the election year, no one (except as discussed above) may give a candidate in that election money or anything else of value to pay off remaining campaign debts/loans. Nor may anyone else directly pay the persons who are owed the money, since those payments constitute in-kind contributions (and contributions have to be made on or before December 31). Nor may the person to whom the debt or loan is owed forgive the obligation, unless the person did so on or before December 31 (and the amount forgiven, when combined with other contributions from that contributor, does not exceed the contributor's limit.

Surplus Funds

If there is a surplus after the election, you may

- 1) move the money into a Surplus Funds Account and file a final C-4 report for the campaign;
- 2) dispose of the surplus in one or more of the other ways allowed by law (see page 9) and file a final C-4 report for the campaign;
- 3) let the funds lie dormant in the campaign account (or invest them as discussed below), but before receiving any contributions for a new campaign or making any expenditures for a new campaign, file a final report for the old campaign, file a new C-1 registration for the new campaign, and file a C-4 for the new campaign showing the surplus being carried forward. (See page 56 for an explanation of how to carry forward funds to the new campaign.)

Surplus Funds Accounts

Who Needs to Set Up a Surplus Funds Account. Any elected official who wants to spend surplus campaign funds for non-reimbursed public office related expenses must set up a Surplus Funds Account in order to make these types of expenditures.

The other six legally permissible options for disposing of surplus campaign funds found in RCW 42.17A.430 and listed below in "Using the Account" may be engaged in either with a Surplus Funds Account or directly out of the old campaign account. However, the dangers of not setting up a separate Surplus Funds Account and simply disposing of surplus funds out of the now inactive campaign account are:

- 1) the funds can't be used for non-reimbursed public office related expenses; and
- 2) once new campaign monies are co-mingled with any existing surplus balance, or the surplus is carried forward to a new campaign, or expenditures triggering candidacy for a new campaign are made out of the account, none of the funds in the account is considered surplus and the money now may only be used for expenditures that are directly related to the new campaign.

Opening the Account. Take all or a portion of truly surplus funds and open a separate Surplus Funds Account (or transfer latest surplus into an already existing Surplus Funds Account).

"Surplus funds" are the balance of contributions given for a specific election that remain after the election and are not needed to pay off that election's campaign debts. Funds remaining after an election are NO LONGER SURPLUS FUNDS if they have been carried forward to a new campaign, mingled with new contributions for a future election, or used to make expenditures for a future election campaign.

Using the Account. According to RCW 42.17A.430, you may only use monies in a Surplus Funds Account for one or more of the following purposes.

- Non-reimbursed public office related expenses.*
- Refunds to contributors. Refunds of contributions made by the candidate to his or her own campaign are subject to restriction. See "Candidate Loan Repayments" on page 9.
- Payments to the candidate for verifiable earnings lost because of campaigning.
- Unlimited contributions to a bona fide political party or caucus political committee.
- Donations to a charity registered with the Secretary of State in accordance with RCW 19.09.
- Deposits into the state's general fund, the oral history, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 44.04.270, as specified by the candidate or political committee.
- Transfers to your campaign account for use in a future election (if a different office is sought than the one for which the surplus funds were initially raised, written permission will have to be obtained from the contributors of the remaining surplus before the surplus may be used to seek the different office).

*A "non-reimbursed public office-related expense" is an expenditure incurred by an elected or appointed official, or a member of his or her immediate family, solely because of being an official. [WAC 390-24-032]

Reporting a Surplus Funds Account. When the account is established by opening a separate bank account:

- file a C-1 giving the Candidate's Name plus the words "Surplus Funds Account;"
- transfer all or a portion of the eligible surplus funds into the new or existing Surplus Funds Account (which should be a checking account -- rather than a savings account -- if there will be more than infrequent expenditures out of it); and
- file C-4 reports along with Schedule A's showing any transfers into the account at the top of the Schedule A and

also itemizing all expenditures out of the account on the form. File a C-4 for the Surplus Funds Account monthly by the 10th of the month, covering the preceding calendar month, for any month in which you transferred in or spent over \$200. If over \$200 in activity does not occur in a month, the next report is triggered when over \$200 has been transferred into the account or spent out of it since the last report was filed. Then, file the C-4 by the 10th of the following month.

Note: ONLY SURPLUS FUNDS FROM A CAMPAIGN MAY BE DEPOSITED INTO A SURPLUS FUNDS ACCOUNT. [RCW 42.17A.430(7)]

Investment of Campaign Funds

Campaign funds or surplus funds may be invested in bonds, certificates, tax-exempt securities, savings accounts or other similar instruments in financial institutions or in mutual funds.

Financial institutions other than banks, savings and loan associations, and credit unions may NOT be used as the campaign depository into which contributions are deposited and out of which campaign expenditures are made. However, brokerage houses and other financial institutions may be used for investing campaign funds so long as the investment by the brokerage house or other institution is in the form of bonds, certificates, tax-exempt securities, and mutual funds.

If you invest campaign funds, take the following steps:

- Notify PDC by letter of the date, amount and the name of the financial institution where the surplus is invested. Do not report the investment as an expenditure on Schedule A or on the C-4 report.
- Deposit all interest, dividends or income earned by the investment into the investment account. Report this income as miscellaneous receipts on line 1d of the C-3 report.
- When the investment is terminated, re-deposit the principal plus the accrued earnings into the original campaign account. Notify PDC by letter that this re-deposit has been made. Do not report this transfer as a contribution on the C-3.
- Check with the IRS or your personal tax consultant about any tax liability that the investment may create.

Start Up of New Campaign

A candidate's committee does not "net out" annually, but aggregates contributions and expenditures throughout the existence of the candidacy or campaign. For example, a candidate might begin seeking contributions and making expenditures two or three years before an election. The aggregate of all contributions and expenditures is shown on C-4 reports until the election is over.

Here are the steps to follow to start a new campaign:

- File a final C-4 report with the appropriate schedules for the earlier campaign. Include all transactions since the last C-4 was filed. Indicate in the space provided that this is the final report.
- File a C-1 registration statement for the new campaign.
- File a C-4 report for the new campaign. A surplus cash balance brought forward from an earlier campaign is entered in ORCA's *committee information* screen. Debts brought forward from a previous campaign are entered in the ORCA software as *vendor debts*.
- File future C-3 and C-4 reports for the new campaign according to the reporting schedule for that campaign.
- File future C-3 and C-4 reports for the new campaign.

CAMPAIGN SUMMARY
RECEIPTS & EXPENDITURES

C4
(1/02)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

John A "Jack" Jones, Jr. (Jones for Coroner)

Mailing Address

123 Miller Way

City

Anyplace

Zip + 4 98000-0000	Office Sought (Candidates) City Council	Election Date 11/8/2016	*For PACs, Parties & Caucus Committees: During this report period, did the committee make an <u>independent expenditure</u> (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?
Report Period Covered	From (last C-4) 1/1/20XX	To (end of period) 1/31/20XX	

RECEIPTS

*See reverse

Yes ☐

No ☒

- Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)..... \$ 872.65
- Cash received (From line 2, Schedule A)..... \$ 280.00
- In kind contributions received (From line 1, Schedule B)..... 0
- Total cash and in kind contributions received this period (Line 2 plus 3)..... 280.00
- Loan principal repayments made (From line 2, Schedule L)..... (0)
- Corrections (From line 1 or 3, Schedule C)Show + or (-) 0
- Net adjustments this period (Combine line 5 & 6)..... Show + or (-) 0
- Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)..... 1,152.65
- Total pledge payments due (From line 2, Schedule B) 0

EXPENDITURES

- Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) 0
- Total cash expenditures (From line 4, Schedule A) 50.00
- In kind expenditures (goods & services) (From line 1, Schedule B) 0
- Total cash and in kind expenditures made this period (Line 11 plus line 12) 50.00
- Loan principal repayments made (From line 2, Schedule L) (0)
- Corrections (From line 2 or 3, Schedule C)Show + or (-) 0
- Net adjustments this period (Combine lines 14 & 15) Show + or (-) 0
- Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)..... 50.00

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:
(509) 555-1212

CASH SUMMARY

- Cash on hand (Line 8 minus line 17)..... 1,102.65
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
- Liabilities: (Sum of loans and debts owed) (0)
- Balance (Surplus or deficit) (Line 18 minus line 19)..... 1,102.65

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature	Date 2/9/0X	Treasurer's Signature	Date 2/9/0X
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REVERSE

SEE INSTRUCTIONS ON

Bookkeeping Tips

This section includes some hints to assist treasurers in compiling and reporting campaign finance information.

The law requires that accurate records be maintained. Use any bookkeeping system that meets this requirement. The hints outlined here are ones that have been used effectively in other campaigns. If you have ideas that would help other treasurers, please share them.

Computer Reports

All candidates who expect to spend \$5,000 on the current campaign or met the \$5,000 expenditure threshold in the last campaign for the same office are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA (Online Reporting of Campaign Activity) software is NOT campaign management software; is designed specifically to meet the reporting requirements under RCW 42.17A.

If you are currently using campaign finance software other than ORCA, the PDC can send you a vendor kit; a software development package that with some additional advanced programming, may enable your campaign to file electronically using your current software.

Contribution Records

PDC staff recommends that the campaign treasurer keep copies of C-3 reports where they are readily available. For some campaigns, the preferred method is to make paper copies and keep them in a loose-leaf binder. Other campaigns would prefer to PDF of each report and save them to a designated computer file.

Contributions must be deposited within five business days of receipt. Each deposit is reported on a separate C-3 report. A C-3 report could, therefore, cover a one-week period. For most contributors, you must include the aggregate, per-election total of contributions received on the C-3. For contributions from bona fide political party and caucus political committees, you report the aggregate total of contributions received from the beginning of the campaign.

Your bank statement is another supporting document for monetary contributions. If you prepare a C-3 report every time you make a bank deposit (as you are required to do), you will always be able to match your C-3 reports with the deposits appearing on your bank statements.

Other types of contributions, such as in-kind contributions and pledges, may be kept track of by recording the relevant information about them on notebook paper. If you use a notebook, add section dividers and convert it into an all-purpose book for recording campaign financial information.

Expenditures

There are three different types of expenditures: standard monetary expenditures, petty cash disbursements, and orders placed but not yet paid (debts). Each is entered in the ORCA software as follows:

Standard Expenditures: Click Transactions >> Expenditures >> Monetary Expenditures. (Click *refund contribution* only when the campaign has deposited a contribution and later decides to return the money.) The date is the date the expenditure was made. Standard expenditures come out of ORCA Bank Account 1000. *PDC staff recommendation: enter the check number when entering expenditures. It does not show up on reports and it helps when reconciling bank statements to PDC reports/ORCA entries.*

Petty Cash: Click Transactions >> Expenditures >> Monetary Expenditures. Be sure to change the bank account to ORCA Petty Cash Account 1800. If you are reimbursing someone from the petty cash fund, enter the individual's name in the description field along with the item/service that was purchased. See page 47 for an explanation of how to establish a petty cash fund in the ORCA software.

Don't use the petty cash fund to pay expenses when a check can be conveniently written. A check gives you a record of the payment.

Be sure to keep receipts for all expenditures, including those made from the petty cash fund. (Note: The sum of petty cash on hand and receipts for disbursements must always equal the starting amount of the fund.).

Orders Placed: Make sure that debts of \$250 or more and debts of \$50 that are over 30 days old are disclosed. Click Transactions >> Debt >> Vendor Debt in the ORCA software to record them.

Contingency salary agreements -- those promises to pay consultants or others a certain amount if the election is won -- are first reported as outstanding debts when the agreements are entered into. They will then appear on each successive Schedule B until paid or removed as a debt because the terms of the agreement were not satisfied.

Miscellaneous Records

Establishing a miscellaneous records file can be helpful. It provides a place to record plans for disposition of surplus funds, insurance policies taken out by the campaign, potential liabilities from lawsuits, disputed payments, and other correspondence or conversations with PDC staff or others regarding the campaign's finances or reporting procedures.

Deducting Cost of Consumables

Review the discussion on Fund Raising Events and Qualifying Low-Cost Fund Raisers beginning on page 31.

The law permits that the amount of a contribution received in connection with a fund raising event (such as a dinner) may be reduced by the cost of the food, beverages, preparation, catering or entertainment furnished at the event and, arguably, consumed by the contributor.

If you choose to do this, some special bookkeeping techniques are necessary and you'll probably want to set up a subsidiary set of records for the event.

You have to determine the per person amount to be deducted in order to deduct the cost of consumables from each contribution received. To do this, add up all the separate charges for food, beverages, preparation, catering, entertainment and all taxes paid for the event. Divide this total by the number of persons you planned for, the number you told the caterer to provide food for. (This number of persons will likely be smaller than the number of persons invited, but may be larger than the number who actually show up. Nevertheless, using the number of guests you relied on for planning purposes is a fair way to compute the per-person cost of consumables.)

The amount you arrive at after dividing the total cost of consumables by the number of persons you planned would attend is the per-person consumables cost. Deduct this amount from each contributor's donation. This "net" contribution is the amount entered in the ORCA software for each contributor. If you did not charge a uniform admission amount, the figure for each contributor will vary. However, if you asked each person, for example, to contribute \$100 and the per person consumables cost is \$20, the C-3 for this event would show an \$80 contribution from each contributor who purchased one ticket. If a couple purchases two tickets for themselves, each of them is entitled to one deduction. *In order to avoid the situation where a few contributors pay for all of the food and beverages at an event without showing this expense as a contribution to the candidate, if a contributor purchases several tickets, that contributor is still only entitled to one, per-person deduction for the cost of consumables.*

The C-3 report representing the deposit of monies received for the fund raiser will not match the amount of the deposit. This is understood. The "shortfall" is offset in your records by the fact that you will also not report on Schedule A the payments you made to vendors for the consumables. Of course, your records will show that you made these payments, but if you also reported them on the Schedule A, your total expenditures amount would be too high in relation to the amount of contributions you have reported receiving.

[Note, if you are uncomfortable with this common method of reporting deductions for consumables, you might consider reporting on the C-3 each contributor's "net" contribution as discussed above, but also including a line item, in Part 2 of the report, that reflects the lump sum of all monies received that cover consumables provided at the event. If you do this, then your C-3 total for the fund raiser should match the bank deposit of the monies received from the event. Then, since you are accounting for the overall, full amount on your C-3, you would also report the payments to vendors for the consumables on Schedule A.]

Either reporting method discussed above is acceptable. Call PDC at (360) 753-1111/toll free 1-877-601-2828 for assistance.

Candidates are advised to follow these guidelines when participating in 1) joint fund raising efforts with other candidates and 2) in committees that support a slate of candidates.

Joint Fund Raising. A separate joint fund raising account is established. There is no need to register this account with PDC as a separate committee. All contribution checks are made out in the name of the joint fund raising account. All joint fund raising expenses are paid out of this account. After expenses are paid, the account will distribute the remaining funds to all participants on a pro-rated basis. An example would be, if there are four candidates participating, each receives one-fourth of the net receipts.

Accompanying this payment to each candidate will be a list of contributor names and addresses and the full amount of each candidate's pro-rated share. For example, if a donor gave \$500 to the joint fund raising effort of four candidates, the list would show this contributor giving each candidate \$125. [Note that if a contributor's pro-rated amount to each candidate is \$100 or more and the contributor is an individual, then the candidate will need to report the contributor's occupation and employer in addition to name and address.]

Each candidate uses the information on the list to complete his or her C-3 report that represents the deposit of the check from the joint fund raising account. It is understood that the C-3 will not match the amount of the deposit. (The difference will be the candidate's share of the expenditures for the joint fund raising.)

Then, on the candidate's next C-4, he or she will report on the Schedule A his or her portion of each expenditure made by the joint fund raising account. Again, if there were four candidates participating in a joint fund raiser, each would itemize the expenses made by the joint account showing one-fourth of each expense. **Even though each candidate reports his or her share of the expenses on the Schedule A, no actual payment is made by the individual candidates to the vendors involved** (since the vendors have already been paid by the joint account).

This method of handling joint fund raising eliminates establishment of a separate joint fund raising committee, while still satisfying the legal requirements that all expenditures be reported and all contributions to the effort are attributed to the individual candidates involved.

Alternatively, each candidate involved in a joint fund raising event could pay a set percentage of the expenses and receive a similar percentage of the funds collected at the event. For example if one candidate were responsible for 60% of the expenses at a joint fund raising event, then that candidate would receive 60% of the funds remaining after expenses are paid. Each candidate committee participating in the event would receive a pro-rated or proportional amount of the funds collected in relation to the expenses paid by that committee.

Call the PDC at (360) 753-1111 or toll free 1-877-601-2828 if you have questions concerning joint fund raising activity.

"Slate" Committees. The law allows candidates to participate in committees organized to support a slate of candidates. Unlike joint fund raising efforts, slate committees do not pass along the money raised to the candidates involved, but rather directly spend the contributions received in a manner that equally benefits all the candidates participating in the committee.

Slate committees register and report like any political committee. On its C-1pc registration statement, a slate committee would check the "other" box in the purpose or description of committee section, and attach a sheet explaining that it is a committee organized to support a slate of candidates. The names and offices sought of the candidates participating would also be listed on this attachment.

The law requires that all contributions made by a contributor directly or indirectly to a candidate be considered as contributions to that candidate. [RCW 42.17A.460] As such, contributors to slate committees are, in fact, giving to the candidates who are participating in the committee.

Therefore, prior to the due date of each C-4 report, the slate committee must provide each candidate with a list of its contributors, showing the name, complete address, date and the full amount of the candidate's pro-rated share of each contribution. For example, if a contributor gave \$600 to a committee supporting a slate of six candidates, the committee would list this contributor as giving \$100 to each candidate.

Using the list provided by the slate committee, each candidate will then report, as in-kind contributions in Part 1 of Schedule B, his or her portion of from all contributions to the slate committee. The candidate will note that these contributions are through the slate committee, thus alerting the public that they should look at that committee's report for information on how the contributions were spent.

The slate committee will file regular C-3 and C-4 reports with PDC. The information supplied to the candidates involved is in addition to its regular reporting.

ELECTRONIC FILING

ELECTRONIC FILING OF CAMPAIGN FINANCE REPORTS

ORCA (Online Reporting of Campaign Activity)

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA software is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17A. ORCA will create all of the candidate and political committee reports necessary to comply with state law.

If your campaign or political committee is currently using campaign finance software other than ORCA software, the PDC's Information Technology staff will send you a "vendor" package that may enable your campaign to file electronically using your current software.

Minimum System Requirements:

Windows – Windows 2000; 256 MB RAM, 1 Ghz Processor; 500 MB free disk space; an Internet connection; and Java Runtime Environment (JRE) 1.5.

Apple/MAC – MAC OS X Version 10.4 Tiger and Java Runtime Environment (JRE) 1.5.

To work properly, contributor and expenditure data from the beginning of the campaign must be entered into the system.

Downloading and Installing ORCA

Download the software from www.pdc.wa.gov/orca. Simply click "download ORCA" and follow the prompts. You should have an icon titled **ORCA** on your Desktop after downloading. If an icon is not on your desktop, you can find the ORCA program by clicking "Start" and "All Programs."

ORCA was developed by PDC staff and released in January 2006. The software is continually being enhanced and updated to keep up with changing campaign finance disclosure laws. After the initial download, users should regularly click "ORCA Web Update" to ensure that they are using the latest version of the software. MAC users update the software through the PDC's [website](http://www.pdc.wa.gov).

You can enter campaign transactions after installing the ORCA software. You will not be able to transmit reports without a filer ID issued by PDC staff. Obtain a filer ID by submitting the appropriate signatures and passwords to the PDC.

Register an E-filing Account

There are three ways to register an E-filing account:

1. The candidate can start at www.pdc.wa.gov, click the C-1 *Filer Quick Link* in the bottom right corner of the page and E-file the registration. If the candidate is new to E-filing, towards the end of the filing process, s/he is prompted to print, sign, and mail a signature authorization. PDC staff will E-mail a Filer ID to the candidate after receiving the signature authorization. – OR –
2. File the C-1 using the ORCA software. Once the campaign has been set up in the software, click *Reports >> Preview/Print C1*. Complete all fields and then click the *Submit C1 Report* button. After the report validates, you will be prompted to print a signature card – do this before moving on! Follow the prompts to continue filing and be sure to mail in the signature authorization. – OR –
3. The candidate can print, complete, and mail a C-1 to the PDC along with a [signature authorization letter](http://www.pdc.wa.gov/filers/page.aspx?c1=113&c2=114&c3=115) and passwords. PDC staff will E-mail a Filer ID to the candidate after receiving the C-1 and signature authorization. [Find the signature authorization template at <http://www.pdc.wa.gov/filers/page.aspx?c1=113&c2=114&c3=115>.]

The Filer ID is permanent and stays with the candidate from campaign to campaign. The only exception is when a candidate registers a second campaign in a particular year. For example, a state representative who registers a re-election campaign for 2012 and later registers a 2012 campaign for state senator is given a unique Filer ID the senate campaign.

ELECTRONIC FILING OF PERSONAL FINANCIAL AFFAIRS STATEMENT

Public officials and candidates have the opportunity to file their annual Personal Financial Affairs Statement electronically over the Internet. The F-1 electronic filing process provides an easy way for elected officials, state appointed officials and candidates to comply with state reporting requirements.

Officials may use agency computers and staff to file annual F-1 reports (since filing requirement stems from their holding public office).

Setting Up a New Electronic Filing Account

1. Go to www.pdc.wa.gov
2. Click on the "Quick Link" for the F1 application located in the bottom right corner of the PDC homepage
3. Create an account by using the link on the left side of the page
4. You will enter a username/email, password & contact information
5. After creating your account you will be directed to the "Welcome screen" for your account
6. Click on "Start a New F1 Form"
7. Read through the next screens to verify your basic information and office
8. When you are done it will load the "filing wizard" that you can use to complete the form.
9. You will see that each section has a "red bar" on the side that says "open" on it. When you click on this you will be to add new information. If you would like to edit information you will need to open this bar to see the information to edit.
10. You must answer all of the questions in Section 5 of the F-1. You must also fill in all fields in the "certification" section at the bottom of the wizard in order for the "submit" button to become available to you.
11. If you need to leave the application for a while, please use the blue "Save" button located at the top of the screen. You will be able to continue working on the saved form later by logging back into your account.
12. If you would like to print the F-1 and/or F-1 Supplement please use the red "View/Print/Save F1 as PDF" buttons at the top of the screen.
13. You will be able to print your signature card when you have submitted the form; you must sign and mail a hard copy of the signature card so we can activate your account and process your pending form.
14. You will receive an email confirmation when we have activated your account and your F-1 is successfully filed.

County Election Officials

Adams County Auditor	210 W Broadway		Ritzville	WA	99169-1860	509-659-3247
Asotin County Auditor	135 2nd St	PO Box 129	Asotin	WA	99402-0129	509-243-2084
Benton County Auditor	620 Market St	PO Box 470	Prosser	WA	99350-1300	509-786-5618
Chelan County Auditor	350 Orondo Ave	PO Box 400	Wenatchee	WA	98807	509-667-6806
Clallam County Auditor	223 East 4 th Ste 1		Port Angeles	WA	98362	360-417-2217
Clark County Auditor	1408 Franklin St	PO Box 8815	Vancouver	WA	98666-8815	360-397-2345
Columbia County Auditor	341 E Main St Ste 2		Dayton	WA	99328-1361	509-382-4541
Cowlitz County Auditor	207 4th Ave N Rm 107		Kelso	WA	98626	360-577-3005
Douglas County Auditor	213 S Rainier	PO Box 456	Waterville	WA	98858-0456	509-745-8527 x207
Ferry County Auditor	350 E Delaware #2	PO Box 498	Republic	WA	99166-0498	509-775-5200
Franklin County Auditor	1016 N 4th Ave	PO Box 1451	Pasco	WA	99301-3706	509-545-3538
Garfield County Auditor	789 Main St.	PO Box 278	Pomeroy	WA	99347	509-843-1411
Grant County Auditor	35 C St NW	PO Box 37	Ephrata	WA	98823-0037	509-754-2011 x343
Grays Harbor County Auditor	100 W Broadway Ste 2		Montesano	WA	98563	360-249-4232
Island County Auditor	1 NE 7th St	PO Box 1410	Coupeville	WA	98239-5000	360-679-7366
Jefferson County Auditor	1820 Jefferson St	PO Box 563	Port Townsend	WA	98368	360-385-9117
King County Records & Elections	9010 E Marginal Way S		Tukwila	WA	98108	206-296-8683
Kitsap County Auditor	619 Division St		Port Orchard	WA	98366	360-337-7128
Kittitas County Auditor	205 West 5th Ave Ste 105		Ellensburg	WA	98926	509-962-7503
Klickitat County Auditor	205 South Columbus #203		Goldendale	WA	98620	509-773-4001
Lewis County Auditor	351 NW North St	PO Box 29	Chehalis	WA	98532-1900	360-740-1278
Lincoln County Auditor	450 Logan St	PO Box 28	Davenport	WA	99122-0028	509-725-4971
Mason County Auditor	411 N 5th	PO Box 400	Shelton	WA	98584-3400	360-427-9670 x470
Okanogan County Auditor	149 3rd N Rm 104	PO Box 1010	Okanogan	WA	98840-1010	509-422-7244
Pacific County Auditor	300 Memorial Ave	PO Box 97	South Bend	WA	98586-5000	360-875-9317
Pend Oreille County Auditor	625 West 4th	PO Box 5015	Newport	WA	99156-5015	509-447-3185
Pierce County Elections	2501 S 35th St Ste C		Tacoma	WA	98409	253-798-7430
San Juan County Auditor	55 2nd St Ste A	PO Box 638	Friday Harbor	WA	98250	360-378-3357
Skagit County Auditor	700 S 2nd St m 201	PO Box 1306	Mount Vernon	WA	98273-4225	360-336-9305
Skamania County Auditor	240 NW Vancouver St	PO Box 790	Stevenson	WA	98648-0790	509-427-3730
Snohomish County Aud/Rec Div	3000 Rockefeller Ave #505		Everett	WA	98201-4060	425-388-3444
Spokane County Auditor	1033 W Gardner Ave		Spokane	WA	99260	509-477-2320
Stevens County Auditor	215 S Oak St #106		Colville	WA	99114-2836	509-684-7514
Thurston County Auditor	2000 Lakeridge Dr SW		Olympia	WA	98502	360-786-5408
Wahkiakum County Auditor	64 Main St	PO Box 543	Cathlamet	WA	98612	360-795-3219
Walla Walla County Auditor	315 W Main St	PO Box 1856	Walla Walla	WA	99362	509-524-2530
Whatcom County Auditor	311 Grand Ave Ste 103		Bellingham	WA	98225	360-676-6742
Whitman County Auditor	N 404 Main St	PO Box 350	Colfax	WA	99111-2071	509-397-6353
Yakima County Auditor	128 N 2nd St #117		Yakima	WA	98901	509-574-1340

Pertinent Government Agencies

QUESTIONS ABOUT	AGENCY	TELEPHONE	
Business Licenses	Department of Licensing 1125 Washington St. SE, M/S 8001 Olympia, WA 98504-8001 or Local City Clerk or Treasurer	...360-664-1400	
Candidates Voter Pamphlet	County Auditor or Secretary of State	360-902-4151	
Declarations of Candidacy	County Auditor or Secretary of State	360-902-4151	
Election Laws	County Auditor or Secretary of State	360-902-4180	
Employee Withholding (W-4 form)	Internal Revenue Service (local office)	800-829-3676	
Employer ID Number (Form SSÄ4)	Internal Revenue Service (local office)	800-829-4933 or 800-829-3676	
Federal Campaign Reporting	Federal Election Commission E Street, N.W. Washington, D.C. 20463	800-424-9530	999
Federal Income Tax (Form 1120-POL)	Internal Revenue Service (local office)	800-829-1040	
Gambling Permits (bingo, raffles)	Gambling Commission 4565 7 th Avenue SE Lacey, WA 98503	360-486-3440	
Health Permits (food sales)	County or City Health Department		
Incorporation	Secretary of State 801 Capitol Way South, PO Box 40234 Olympia, WA 98504-0234	360-753-7115	
Liquor and Banquet Permits	Local WA State Liquor Store or Liquor Control Board 3000 Pacific, PO Box 43075 Olympia, WA 98504-3075	306-664-1600	
Political Broadcasting	Federal Communications Commission Broadcast Bureau Washington, D.C. 20554	202-418-1440	
Postal Permits	Local U.S.Post Office		
Sign Regulations	See next page		
Social Security	Social Security Administration (local office)		
State Taxes	Department of Revenue PO Box 47462 Olympia, WA 98504-7450	800-647-7706	



**Washington State
Department of Transportation**

Paula J. Hammond, P.E.
Secretary of Transportation

Transportation Building
510 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wadot.wa.gov

Dear Candidate:

The Washington State Department of Transportation wishes to take this opportunity to advise political candidates about the placement of campaign signs and placards along state highways.

Revised code of Washington (RCW) 47.42, the Highway Advertising Control Act, regulates signing on Interstate highways, primary highways, and highways that are part of the Scenic and Recreational system. Signs erected on private property adjacent to these highways must comply with the Highway Advertising Control Act, rules contained in Washington Administrative Code (WAC) 468-66, and applicable local agency sign codes.

In accordance with WAC 468-66-050, *Sign Classifications*, political campaign signs are considered a Type 3(d) on-premise sign for which no fee or application is necessary. Temporary political campaign signs are signs which express the property owner's endorsement of a political candidate or ballot issue, with the following restrictions:

- 1) Temporary political campaign signs are limited to a maximum size of thirty-two square feet
- 2) Temporary political campaign signs must be removed within ten days following the election
- 3) Sign installers must have permission of the underlying property owner prior to placing signs
- 4) Temporary political campaign signs are subject to all other applicable provisions of RCW 47.42 and WAC 468-66 that pertain to Type 3 on-premise signs

In addition to the above restrictions, **the erection of temporary political campaign signs within the right-of-way of all state highways is prohibited. Accordingly, signs placed within the right-of-way of any state highway are subject to removal by the Department of Transportation.**

Also, RCW 47.36.180(1) states in part that it is unlawful to erect any structure, sign, or device visible from a city street, county road, or state highway that simulates any directional, warning, or danger sign likely to be mistaken for such a sign. Therefore, a campaign sign cannot be designed in a manner that resembles an official traffic control sign.

If you should have any questions about the placement of campaign signs along state highways, please contact Pat O'Leary at (360) 705-7296 or olearyp@wsdot.wa.gov.

We sincerely hope that candidates for public office will observe the laws and regulations enacted to limit driver distraction and protect and preserve the roadside beauty of our state. Thank you in advance for your courtesy in this matter,

Washington State Department of Transportation